

Isabelle C. Spang to be postmaster at Franksville, Wis., in place of I. C. Spang. Incumbent's commission expired January 18, 1939.

Raymond W. Burt to be postmaster at Goodman, Wis., in place of R. W. Burt. Incumbent's commission expired January 18, 1939.

Philip A. Panetti to be postmaster at Hustisford, Wis., in place of P. A. Panetti. Incumbent's commission expired January 18, 1939.

Erwin A. Kamholz to be postmaster at Luck, Wis., in place of E. A. Kamholz. Incumbent's commission expired January 24, 1939.

Frank L. Daniels to be postmaster at Weyerhauser, Wis., in place of F. L. Daniels. Incumbent's commission expired January 18, 1939.

WYOMING

George H. Case to be postmaster at Lander, Wyo., in place of H. J. Wendt. Incumbent's commission expired February 1, 1938.

CONFIRMATIONS

Executive nominations confirmed July 26 (legislative day of July 25), 1939

RECONSTRUCTION FINANCE CORPORATION

Sam Husbands to be a member of the Board of Directors of the Reconstruction Finance Corporation.

COLLECTOR OF CUSTOMS

Joseph A. Ziemba to be collector of customs for customs collection district No. 39, with headquarters at Chicago, Ill.

UNITED STATES PUBLIC HEALTH SERVICE

TO BE ASSISTANT SURGEONS

Edward Charles Jenkins	Edward Pace Irons
James Koken Shafer	Russell Kenneth Taubert
Benno Karl Milmore	John Theron Wright
John Donaldson Porterfield	

COAST GUARD OF THE UNITED STATES

TO BE LIEUTENANTS (JUNIOR GRADE)

John W. MacIntosh, Jr.
Christian R. Couser
Richard R. Smith

POSTMASTERS

NEW YORK

Alice M. Maloney, Ausable Chasm.
Joseph A. Seifert, Great River.
Maurice F. Maloney, Haverstraw.
Jacob M. Garlock, Sodus Point.

OHIO

Lewis P. Jenkins, Huntsville.
Harold E. Ralston, Marengo.
Harold F. Sweeney, Russells Point.
William A. Barnhart, Sterling.
Merle G. Van Fleet, Waterville.
Hattie Dale Hufford, West Mansfield.

WEST VIRGINIA

Edward Ellis Brumfield, Sr., Berwind.
Frederick D. Golightly, Davis.
Ruth L. Joyce, Davy.
Richard S. Quick, East Rainelle.
William M. Boardman, Gary.
Marguerite E. Whiting, Glenville.
Clarence C. Francisco, Iaeger.
Edward E. Williams, Masontown.
William S. Wray, Northfork.
Patrick J. Healy, Piedmont.
Dayton L. O'Dell, Quinwood.
William C. Bishop, Scarbro.
Stephen P. Shlanta, Weirton.
Louis Knakal, Widen.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 26, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O merciful God, in whose hand the marching planets live, rule the hearts and bless the endeavors of all who make and execute our laws. Do Thou stay our souls these restless days when skepticism seems a world-wide triumph. In power and pride of life, with work to do and praise to win for God, call us to perseverance and self-mastery; let us believe in the Divine Will that keeps the universe steadfast and sure. We pray for the might of Faith that pierces the future and sees the time when wisdom shall be justified in the earth, when voices of hate shall be silenced and men will know that God is all in all. Heavenly Father, persuade us that the love of righteousness secures ineffable blessedness and peace and will abide when selfish delights cease and the last flower of life's summer lies withered and dead. In the holy name of our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had agreed without amendment to a concurrent resolution of the House of the following title:

H. Con. Res. 10. Concurrent resolution providing for the establishment of a joint committee to convey to the members of the American Association of State Highway Officials the appreciation of Congress of their accomplishments in the field of highway development.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2185. An act to provide for the appointment of additional district and circuit judges.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 6746) entitled "An act to amend certain provisions of the Merchant Marine and Shipping Acts, to further the development of the American merchant marine, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SHEPPARD, Mr. CLARK of Missouri, Mr. BAILEY, Mr. WHITE, and Mr. BARBOUR to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 5375) entitled "An act to promote nautical education, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SHEPPARD, Mr. CLARK of Missouri, Mr. BAILEY, Mr. WHITE, and Mr. BARBOUR to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5407) entitled "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States,' approved July 1, 1898, and acts amendatory thereof and supplementary thereto."

PUBLIC-BUILDINGS PROGRAM OUTSIDE THE DISTRICT OF COLUMBIA

Mr. MAHON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Speaker, on Monday of this week there was referred to the Committee on Appropriations a Budget estimate which had been transmitted to the House by the

President, calling for an additional authorization of \$50,000,000 to carry on the public-buildings program outside the District of Columbia. An appropriation of \$1,000,000 was recommended for the purpose of facilitating the preparation of construction plans.

The public-buildings program outside the District of Columbia is largely confined to post-office building construction. I sincerely trust that we may be able to enact before adjournment this authorization for an appropriation in order that most eligible congressional districts may be assured of one additional public building for the 5-year period beginning in 1937.

House Document No. 447 contains the recommendation of the Budget in regard to this matter, and I shall ask unanimous consent to have it printed in the Appendix of the RECORD. I know that a large number of the Members of the House will wholly share my interest in the post-office building program. [Applause.]

[Here the gavel fell.]

Mr. MAHON. Mr. Speaker, I ask unanimous consent to insert in the Appendix of the RECORD a copy of House Document No. 447, which is the Budget estimate of the President with respect to the matter I have just referred to.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

EXTENSION OF REMARKS

Mr. FULMER. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein some excerpts from the hearings on the cotton-crop insurance bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. MICHAEL J. KENNEDY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an editorial from the Labor Chronicle, of my city, on the wage and hour amendment.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. D'ALESSANDRO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein correspondence from the Labor Department on a resolution passed by the Haller Post, of the American Legion.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a brief editorial from the Los Angeles Times with reference to pending legislation.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a brief statement of the imports of meat products through the port of New York for 1 week.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter from Mrs. Lottie Larsen, of Minneapolis, analyzing the Townsend plan.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. HESS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein two radio addresses delivered by the junior Senator from Ohio [Mr. TAFT].

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HALL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial of Mr. Frank C. Waldrop, of the editorial staff of the Washington Times-Herald.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WELCH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial published in the San Francisco News, the Scripps-Howard paper, under date of July 18, with reference to the Fair Labor Standards Act.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JOHNSON of Illinois. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the history of cost-of-production legislation of the Seventy-sixth Congress.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SHAFER of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in connection with the action taken on H. R. 7314 on Monday last and include a memorandum from the Corporation Counsel of the District of Columbia to the Alcohol Beverage Control Board.

The SPEAKER. Is there objection?

There was no objection.

Mr. OLIVER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by incorporating therein a copy of a radio broadcast by myself over station CHS, Portland, Maine, July 15.

The SPEAKER. Is there objection?

There was no objection.

Mr. RUTHERFORD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include certain tables from the Department of Agriculture.

The SPEAKER. Is there objection?

There was no objection.

UNITED STATES HOUSING ACT

Mr. TABER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. TABER. Mr. Speaker, I hold in my hand a copy of S. 591, to amend the United States Housing Act, reported by the House Committee on Banking and Currency on July 18. That is 8 days ago. Notwithstanding that fact, hearings held by that committee are not available to the membership. This is an important and dangerous bill, and embarks the country upon a dangerous activity, costing enormous sums of money. What have these people to conceal? What is there in those hearings which will develop that they are not entitled to pass the bill? I think an explanation should be made to the House of that situation.

The SPEAKER. The time of the gentleman from New York has expired.

CONTROL OVER WATER RATES BY I. C. C.

Mr. PIERCE of Oregon. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. PIERCE of Oregon. Mr. Speaker, I received a letter from Col. W. P. Greeley, of Seattle. For 8 years he was the head of the Forest Service here in the Capital. He is now secretary-treasurer of the West Coast Lumbermen's Association. In this letter he expresses strong views and states the reason why the lumber interests of the Northwest are opposed to placing the control of coastwise or intercoastal carriers under the Interstate Commerce Commission.

I ask unanimous consent to extend my remarks at this point and to insert this letter from Colonel Greeley.

The SPEAKER. Is there objection?
There was no objection.
The letter is as follows:

WEST COAST LUMBERMEN'S ASSOCIATION,
Seattle, Wash., July 24, 1939.

Hon. WALTER M. PIERCE,
House of Representatives, Washington, D. C.
Subject: Transfer of control over water rates to Interstate Commerce Commission.

MY DEAR CONGRESSMAN PIERCE: The trustees of the West Coast Lumbermen's Association have recently given this subject fresh consideration in connection with the Wheeler-Truman bill.

The west-coast lumber industry, as of course you know, was built up upon water-borne commerce. Today the domestic-cargo movement still takes 40 percent or more of our total production. Our two largest markets are reached by the coastwise water-borne movement to California and the intercoastal movement to the Atlantic seaboard.

Our industry has always been at a serious disadvantage in reaching the larger markets of the United States, because of distance. We, in common with other far-western woods, have the longest hauls and highest transportation costs of any species of American lumber, in reaching the populous Central and Eastern States where 70 percent of the lumber is consumed. Our average cost for transportation today is about 60 percent of the average price realized by the sawmill; and for the third of our logs, which produces low-grade construction lumber, the average cost of transportation to market is over 150 percent of the price received at the mill. This is the primary reason why west-coast logging operations appear so wasteful. Usually 15 percent of the standing timber just cannot be utilized, because we cannot get it to any market that will pay back cost. The life of the west-coast lumber industry could largely be summarized as a struggle against transportation costs that shut our mills off from essential markets.

In this struggle the competitive leverage of water transportation has been of incalculable value. Coastwise vessels move 75 percent of all the lumber we market in California, and establish absolute competitive limits which railroad rates cannot exceed. Intercoastal steamships move 74 percent of all the lumber we sell in the States eastward from Chicago; and again have determined the rate levels by rail. Hence there has been impressed upon our industry for many years the vital economic function of free, competitive transportation by water and the necessity of keeping the competition of water-borne commerce free and open. The west-coast lumber industry has always opposed efforts to place the regulation and control of coastwise or intercoastal carriers under the Interstate Commerce Commission from fear that this would, doubtless gradually and unconsciously, break down the free, competitive status of the water carriers.

With all the complexities in the transportation problem today and our desire to aid the rehabilitation of the railroads, our trustees believe that this fundamental necessity still remains—for protecting the competitive independence of the water carriers. Notwithstanding the safeguarding provisions of the Wheeler-Truman bill (rate-making rule started in sec. 30), they believe it contrary to the interests of the Pacific coast, and of our industry particularly, to place water and rail carriers under the same Federal agency for regulation and control. I am requested to place this conclusion before you, and to ask your serious consideration of it in connection with the pending legislation.

Sincerely yours,

W. B. GREELEY,
Secretary-Manager.

RECKLESS EXPENDITURES

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?
There was no objection.

Mr. RICH. Mr. Speaker, in that 1 minute I call attention to an article in the magazine *Liberty* entitled "A Reckless Spendthrift Government." This is something that every Member of the House should read so that he may know just what a reckless, spendthrift Government we have. It is written by Bernarr Macfadden. It reveals yours quandering. I think that every Member of the House should know just exactly what a reckless, spendthrift organization, or Congress, we have here in Washington, D. C., so that they will change their attitude in respect to reckless spending. The New Deal is the greatest squandering body the world has ever known. All Congressmen who have supported the New Deal are responsible for the extravagances of Government, the unsound principles enunciated, and fallacy of reckless spending.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

EXTENSION OF REMARKS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a magazine article on the Development of American Aviation, written by myself.

The SPEAKER. Is there objection?
There was no objection.

FREE IMPORTATION OF TOURIST LITERATURE

Mr. BUCK. Mr. Speaker, I ask unanimous consent for the present consideration of H. R. 7263, to permit the importation free of duty of certain literature for distribution at the Golden Gate International Exposition of 1939.

The SPEAKER. The gentleman from California asks unanimous consent for the present consideration of the bill H. R. 7263, of which the Clerk will report the title.

The Clerk reported the title of the bill.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object and ask the gentleman to explain what the bill is.

Mr. BUCK. Mr. Speaker, earlier in the session the Congress passed a bill which permitted the free importation for gratuitous distribution at the New York World's Fair of tourist literature, advertising foreign travel, and so forth. While this privilege was granted in respect to the New York World's Fair, it was not granted in respect to the Golden Gate International Exposition of 1939, and this bill is to correct that oversight.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 4 of the act entitled "An act relating to the importation of distilled spirits for consumption at the New York World's Fair, 1939, and the Golden Gate International Exposition of 1939, and to duties on certain articles to be exhibited at the New York World's Fair, 1939," approved April 29, 1939, is amended by inserting before the period at the end thereof a comma and the following: "or at the Golden Gate International Exposition of 1939."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEVY OF CERTAIN TAXES ON PURCHASES IN NATIONAL PARKS, ETC.

Mr. BUCK. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 6687) to authorize the levy of State, Territory, and District of Columbia taxes upon, with respect to, or measured by sales, purchases, or use of tangible personal property or upon sellers, purchasers, or users of such property measured by sales, purchases, or use thereof occurring in United States national parks, military and other reservations, or sites over which the United States Government may have jurisdiction.

The SPEAKER. The gentleman from California asks unanimous consent for the present consideration of the bill H. R. 6687, of which the Clerk will report the title.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object to get an explanation by the gentleman from California.

Mr. BUCK. Mr. Speaker, this bill is designed to provide for uniformity in the administration of State sales and taxes within, as well as without, Federal areas. At the present time there are those who contend that although negotiations for the purchase of goods have been conducted, outside of the Federal area, but delivery is made within the area, that therefore the purchasers should not pay any State sales tax. We do not agree that such a contention is valid, but that is one of the things this bill is intended to correct. It is also intended to provide that sales made within the Federal area shall be subject to the State sales taxes. We have already specifically granted the privilege to a State to tax gasoline sold within those areas, and it is proposed

to extend this privilege to other sales. This is a unanimous report from the Committee on Ways and Means, and it is reported on favorably by the Treasury Department.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BUCK. I yield.

Mr. RICH. You are starting now to tax the people of this country in order to get a little money in order to try to meet the great deficit we have. When is the Ways and Means Committee going to make up the difference between the amount that the Appropriations Committee and Congress spends and what you have to have in order that you may get a balanced Budget? Is there ever any hope of that?

Mr. BUCK. While that is not perhaps germane to this bill, I think the gentleman has been informed, through the press, that the subcommittee on internal revenue taxation proposes to come back a month or two ahead of the January meeting of Congress to study and recommend very definite reforms in our tax system.

Mr. RICH. The gentleman is one of the leaders on the Ways and Means Committee. Does he have any idea that you will ever be able to reach the amount that the Appropriations Committee and the Congress is spending, without killing people in order to take it from them?

Mr. BUCK. Of course, I have always said that it is the painful duty of the Ways and Means Committee to try to cut the cloth to fit Uncle Sam's figure after the Appropriations Committee has decided on the pattern. [Laughter.]

Mr. JENKINS of Ohio. Reserving the right to object, and I do not intend to object, I just take this time to bring out this proposition: Is it not true that this bill is not a bill for raising taxes at all? It is simply a bill for equalization on sales taxes. In other words, if a person operates a store in a Government park located in the State of Ohio, for instance, he cannot claim any exemption by reason of the sales tax on the goods he sells in that park? He must pay the same as anybody else in the State of Ohio?

Mr. BUCK. The gentleman is correct.

Mr. JENKINS of Ohio. Or if the superintendent of a Federal park wishes to go outside the park to some city and buy his goods and have them delivered back in the park, he cannot be exempt from the taxes on that?

Mr. BUCK. The gentleman is absolutely correct. He has stated the two motives we have in mind.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That all taxes levied by any State, Territory, or the District of Columbia upon, with respect to, or measured by sales, purchases, or use of tangible personal property, or upon sellers, purchasers, or users of such property measured by sales, purchases, or use thereof may be levied and collected in the same manner and to the same extent with respect to transactions occurring in whole or in part within United States national parks, military and other reservations, or other sites located within the external boundaries of such State, Territory, or the District of Columbia as with respect to transactions occurring elsewhere within the territorial boundaries of said State, Territory, or the District of Columbia.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARE WE COWARDS OR JUST DUMB?

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, the passage of the Hatch bill was a move in the right direction. Corporations are prohibited by Federal statute from making contributions to political committees. The Hatch bill and the Corrupt Practices Act do not cover the field.

From June 1, 1935, to June 1, 1937, in part by coercion, intimidation, and force, John L. Lewis and his United Mine Workers collected, according to its own statement, more

than \$7,000,000. It had, at the end of that period, over \$3,000,000.

The United Mine Workers contributed to the New Deal campaign fund \$470,000. Other labor organizations, which have as their chief source of revenue dues and assessments collected from the workingman, contributed upward of \$1,700,000 toward political activities.

If Federal employees, if corporations are to be denied participation in political activities, there is no reason why an organization which announces through the press, as does Labor's Non-Partisan League, and as does John L. Lewis, that it intends to devote itself to the defeat of those Congressmen who oppose it, be exempt from the law governing corrupt political practices.

If we sit here and permit Lewis and his organization to collect unlimited funds, to use them for political purposes in any way they see fit, we are either unmindful of what is being done or we lack the courage to take the proper action necessary to prevent the election as Federal officials of Lewis' stool pigeons.

Pass the resolution which I introduced, House Resolution 196, asking that Lewis and the organizations in which he is active be investigated, be required to disclose the source of their revenue, the amount thereof, and the manner in which it is spent.

Why should this one man and the organizations in which he is interested be exempt from laws which apply to others?

EXTENSION OF REMARKS

Mr. KRAMER. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein the testimony of Isador Lubin, Commissioner of Labor Statistics, before the Committee on Banking and Currency.

The SPEAKER. Is there objection?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[Mr. O'CONNOR addressed the House. His remarks appear in the Appendix.]

DISTINGUISHED SERVICE MEDAL TO REAR ADMIRAL HARRY ERVIN YARNELL

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2482) authorizing the President to present a Distinguished Service Medal to Rear Admiral Harry Ervin Yarnell, United States Navy.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I would like to ask the gentleman if this is an unusual thing to do?

Mr. VINSON of Georgia. I will state that the President has the right, under the law today, without a bill of this character, to confer upon any naval officer the Distinguished Service Medal; but in view of the outstanding services rendered by Admiral Yarnell, growing out of the trying circumstances in the Orient, the Naval Affairs Committee thought a bill of this character was in accord with the facts and circumstances of his services.

Mr. MARTIN of Massachusetts. There are precedents for action such as this?

Mr. VINSON of Georgia. I cannot state positively whether there is any precedent, but this would be a good precedent to establish when a Naval or Army officer renders such outstanding service that the Congress approve the awarding of the Distinguished Service Medal to him.

Mr. MARTIN of Massachusetts. Was there any opposition in the committee?

Mr. VINSON of Georgia. This bill has passed the Senate unanimously, and passed the Naval Affairs Committee unanimously.

Mr. RICH. Mr. Speaker, reserving the right to object, is this to be a gold medal?

Mr. VINSON of Georgia. This will be a Distinguished Service Medal. I understand it is usually made of silver or some other metal.

Mr. RICH. I thought you might find some use for that gold you have stored down in Kentucky. I think it would be a fine thing to use it for.

The regular order was demanded.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the President is authorized to present a Distinguished Service Medal to Rear Admiral Harry Ervin Yarnell, United States Navy, for his skill and devotion to duty displayed during his tour of duty beginning October 30, 1936, as commander in chief of the United States Asiatic Fleet.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. LEA and Mr. O'CONNOR rose.

The SPEAKER. The Chair recognizes the gentleman from California [Mr. LEA].

The Chair is anxious—so is the membership—to get to the consideration of the pending bill.

TRANSPORTATION ACT OF 1939

Mr. LEA. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 2009) to amend the Interstate Commerce Act, as amended, by extending its application to additional types of carriers and transportation and modifying certain provisions thereof, and for other purposes.

Mr. O'CONNOR. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Will the gentleman withhold the point of order for a moment?

Mr. O'CONNOR. Mr. Speaker, I withdraw the point of order for the time being.

Mr. VAN ZANDT. Mr. Speaker—

The SPEAKER. For what purpose does the gentleman from Pennsylvania rise?

Mr. VAN ZANDT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count.

Mr. VAN ZANDT. Mr. Speaker, I withdraw the point of order for the time being.

EXTENSION OF REMARKS

Mr. HAWKS. Mr. Speaker, will the gentleman from California yield to permit me to submit a unanimous-consent request?

Mr. LEA. Mr. Speaker, I yield for the purpose of submitting unanimous-consent requests.

Mr. HAWKS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record on two subjects, and include two resolutions from the Wisconsin Retail Hardware Association.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman from California yield?

Mr. LEA. I yield.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record on two subjects and to include therein the wording of two short bills.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record on the subject of the outstanding services of Admiral Yarnell.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CALL OF THE HOUSE

Mr. VAN ZANDT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and fifty-seven Members are present, not a quorum.

Mr. LEA. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 144]

Boren	Dingell	Maas	Robinson, Utah
Bradley, Mich.	Eaton, Calif.	Maciejewski	Secret
Caldwell	Eaton, N. J.	Magnuson	Short
Cluett	Fernandez	Martin, Ill.	Smith, Ill.
Cole, Md.	Fish	Massingale	Stearns, N. H.
Cole, N. Y.	Fitzpatrick	May	Stefan
Connery	Flannery	Mitchell	Summers, Tex.
Cooley	Grant, Ala.	O'Brien	Sweeney
Crowther	Johnson, Lyndon	Fatman	Thomas, N. J.
Cummings	Kennedy, Martin	Pierce, N. Y.	Welch
Curley	Lanham	Rabaut	Williams, Del.
Dies	McMillan, Thos. S.	Richards	Woodruff, Mich.

The SPEAKER. On this roll call 380 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

The SPEAKER. The Chair recognizes the gentleman from Texas [Mr. RAYBURN] to submit a unanimous-consent request.

EXTENSION OF REMARKS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. COLE] may extend his own remarks in the Record on the subject of petroleum.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CASEY of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include therein an editorial from the Boston Traveler of June 30.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CHANDLER. Mr. Speaker, will the gentleman from California yield to permit the filing of a conference report.

Mr. LEA. I yield.

AMENDMENT OF BANKRUPTCY ACT

Mr. CHANDLER submitted a conference report and statement on the bill, H. R. 5407, an act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States" approved July 1, 1898, and acts amendatory and supplementary thereto.

EXTENSION OF REMARKS

Mr. CELLER. Mr. Speaker, will the gentleman from California yield for a unanimous-consent request?

Mr. LEA. I yield.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my own remarks on the subject, Jefferson, An Alien.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

TRANSPORTATION ACT OF 1939

The SPEAKER. The question is on the motion of the gentleman from California that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 2009, the Transportation Act of 1939.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 2009, the Transportation Act of 1939, with Mr. JONES in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. At the time the Committee rose on yesterday the Committee had under consideration the amendment offered by the gentleman from Texas [Mr. SOUTH] to strike out title II, part III. The gentleman from California [Mr. LEA] is recognized.

Mr. LEA. Mr. Chairman, the bill before the House provides for placing our domestic water carriers within its regulatory provisions under the jurisdiction of the Interstate Commerce Commission.

The proposed amendment would not only eliminate water carriers from the proposed regulation but it would break up and destroy one of the main features of this legislation, that is, the coordination of rate regulation of all our principal transportation agencies.

Interstate rail regulation is entirely in the hands of the Interstate Commerce Commission. Likewise interstate highway transportation, our pipe lines, and express companies. The Interstate Commerce Commission has regulatory powers over all our important interstate transportation except water carriers. It has jurisdiction of water transportation controlled by railroad companies and over joint rates established between rail and water lines.

The American people are now paying about \$7,000,000,000 a year for transportation service to the public. About seven hundred million of that amount is paid for water transportation.

All of our domestic transportation is interrelated. A large volume of our traffic uses more than one of these agencies in moving from shipping point to destination.

Traffic that moves on the water ordinarily also moves by a land carrier.

If this amendment were adopted, as freight moved across the country partly by land and partly by water, part of the time it might be regulated by one agency and part of the time by another, and part of the time be unregulated.

This bill seeks to unify the regulation and coordination of the transportation agencies of the country. It just does not make good sense to divide regulation and destroy the possibility of coordination. These water lines operate between the east and the west coasts, on the Great Lakes, and the inland waterways. Everywhere they exchange freight traffic and are in competition with land carriers. Unified control and coordination are the very elements of successful regulation of interstate commerce. They represent the A B C of regulation. The lack of it is one of the greatest weaknesses in our present regulatory system. Only yesterday one of the greatest transportation authorities in the country after years of experience stated to me that we can never have efficient, successful interstate regulation without taking in the water carriers under one regulatory body.

These unregulated water carriers are under little public restraint. The regulated common carrier has a legal duty to the public. He runs on schedule whether or not he has a pay load. He is compelled to take all freight offered and give equal rates and service to all and rebates and discriminations to none. The unregulated carrier goes when he pleases.

He uses secret rates and discriminates between persons and communities. He can abandon his service at will.

It is manifest that the water carriers competing with and interchanging traffic with land carriers are a destroying influence on our regulatory system when they can compete on such unequal terms.

Our committee considered the most effective things that could be done, so far as legislation is concerned, to improve our transportation situation. We could have recommended compulsory consolidations; we could have recommended subsidies on a great scale to meet the situation. We concluded subsidies would be no remedy, but only delay the necessary adjustment of our transportation situation. We want to keep our transportation agencies out of Government ownership and out of dependence on subsidies.

What is the main need of transportation? The main need is to keep these different agencies on a self-supporting basis. It is my firm conviction that the first thing to be done to that end is to unify the regulation of all our domestic water carriers and coordinate their regulation.

An examination of our rate structure will reveal that it is built up largely on expediency. Many artificial conditions have operated to create inequality in our rate structure. A very large volume of traffic is moving on favored rate levels

brought about by the pressure of artificial conditions to the disregard of economic merit.

In a large number of other cases sections not able to exert so much economic pressure, not receiving the benefit of excessive competitive conditions, are paying rates unreasonably high that tend to retard business.

[Here the gavel fell.]

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. LEA. Mr. Chairman, I understood that somebody was going to yield me his 5 minutes.

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. Mr. Chairman, when time for debate was limited on this section it was my understanding that it was agreed that the chairman of the committee along with the gentleman from Texas [Mr. SOUTH] was to be given 10 minutes.

The CHAIRMAN. That was not the order. The gentleman from Texas asked unanimous consent to proceed for 10 minutes. The gentleman from North Carolina stated that unless the gentleman from California [Mr. LEA] was also granted an additional 5 minutes he would object. The latter request was never submitted. The Chair has recognized the gentleman from California for 5 minutes.

Mr. PATRICK. Mr. Chairman, if I remember, the gentleman from North Carolina [Mr. BULWINKLE] had reserved the right to object, and then when he made the statement he felt that the Chair acceded to it, that the 10 minutes were reserved. He withdrew his objection. An examination of the RECORD this morning reveals what the Chair had stated.

The CHAIRMAN. The gentleman from North Carolina stated that unless 10 minutes were allowed to the gentleman from California he would object. The Chair stated that those requests could not be combined. The Chair will now entertain a request that the gentleman from California be permitted to proceed for 5 additional minutes notwithstanding the previous agreement.

Mr. SIROVICH. Mr. Chairman, I ask unanimous consent that the gentleman from California may proceed for 5 additional minutes, not to be taken out of the time fixed for debate on this amendment.

Mr. DISNEY. Mr. Chairman, reserving the right to object, it is understood this is not to be taken out of the time already agreed to?

The CHAIRMAN. That is understood, that this will not be taken out of the other agreement.

Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LEA. Mr. Chairman, in the equalization of these rate structures, in the coordination of rates, in the power to regulate all these competitive agencies is the greatest opportunity we have to improve our transportation system and do it on a just, economic basis.

This plan requires a readjustment of rates; it requires an injustice to no man. All it requires is greater quality of treatment of shippers and carriers alike and the application of reasonable rates to all, having due regard to economic differences.

This bill looks to that end. The part of the bill proposed to be stricken out is the essential part for that purpose. It is of great importance to retain it in this bill.

This is not a partisan question. The ability, patience, and assistance given by the minority members of the subcommittee in sharing full responsibility for this bill eliminates any such consideration. To the limit of our strength we have tried to prepare legislation that would be a credit to this Congress.

Our committee represents a cross section of the whole country.

I can say to my colleagues on the Democratic side that we have a special responsibility for this legislation. Our President became an advocate of coordination of all agencies in 1932. It is under his leadership we are responsible for this

legislation. It was in March 1938 he initiated the effort that led to the bill which is before you today. We are dealing with one of the most practical, economic problems of the country. We have proposed the basic approach that is essential if we are to deal with the problem successfully. We cannot afford to reject that portion of this bill. It gives the greatest promise of permanent betterment.

The American people pay \$7,000,000,000 a year for transportation. Have we not the ability and the statesmanship under our system of Government to so regulate these useful, essential agencies that the carriers can be at least self-supporting? I believe we can.

The alternate of failure is Government ownership, subsidization, or abandonment on a vast scale. When you make your choice today let it be in favor of the only method that offers any practical chance of making our carriers of the various types self-supporting on a just basis to the people of this country.

We face the question of subsidization—subsidizing industry against private enterprise. Our inland water carriers are aided on a vast scale by providing at Government expense the depth and width of the streams on which they compete with private carriers. I do not object to what has been done. I do say that carriers so favored by Government aid should not refuse that just regulation to which all of their competitors must yield. It is difficult for private ownership to compete with Government subsidization and with carriers that do not have to reckon with capital account for a large part of their expense. We should at least give their privately owned competitor the equal advantage of fair regulation. [Applause.]

Mr. Chairman, I have a telegram which I send to the Clerk's desk and request that it be read.

The Clerk read as follows:

NEW YORK, N. Y., July 25, 1939.

HON. CLARENCE F. LEA,
House Interstate and Foreign Commerce Committee,
House Office Building.

I consider it my duty to inform you that it is my considered judgment, insofar as our trade—that is, the carriers from the North Atlantic ports to and from the Great Lakes—are in need of regulations as proposed Wheeler-Lea bills at this time to save the industry from destruction. The ruthless competition amongst the carriers themselves is unparalleled in the history of our trade. We are mainly seeking a medium by which we can stabilize our rates at fair minimum level, thereby preventing the ruthless attacks of the railroads who have taken advantage of the situation. It is my honest conviction that the conditions can be remedied by the proposed legislation. If the petroleum carriers want exemption, I have no objection. If our industry is to be preserved and be of value to the shipping public, it can only be accomplished through regulations. I wish you would make my views known to your group.

NEW YORK MARINE CO.,
SEABOARD-GREAT LAKES CORPORATION,
REGINALD G. NARELLE, President.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, this bill proposes a very far-reaching step. It is a step that this Government has refused to take for 100 years. It is an all-embracing piece of legislation and will add nothing to our transportation systems, neither will it add 1 pound of tonnage to the commerce of our country. It will add more legislative burden to the business and the industry of the Nation. Business and industry in this country are now suffering from legislative blight, and this bill will place more government restriction, regulation, and control over them. It will add to the growing bureaucracy of government and increase the centralization of all power here in Washington.

If this bill is right, then the Federal Government has been wrong for 100 years. If this bill is right, then we have expended two and one-half billion dollars on the waterways and harbors of this country under a mistaken idea, namely, to provide cheap and low-cost water transportation for the American people. If this bill is right, then no longer will the Army engineers be able to come before the Rivers and Harbors Committee of this House and urge the adoption of water improvement projects on the ground that it will provide a

cheaper form of transportation to the people. If this bill is right, then all we have done in a century of progress to improve rivers and harbors has been a sad mistake.

I am not against the whole bill. I am against the water section of the bill, because it will raise the cost of water transportation without giving material aid to the railroads. I would rather take some of the legislative chains off the railroads than impose new ones on water transportation.

In answer to the telegram that has just been read from the Clerk's desk, I want to say that the Chamber of Commerce of my city of Detroit is opposed to this bill; the Chamber of Commerce of the State of Michigan and two executive departments of this Government are opposed to this bill—the Department of Agriculture and the War Department. If any Member has read the very able, complete, and convincing report filed by the Secretary of War against this bill, he ought to be convinced that if we adopt this measure we are making a mistake.

I want to read just two excerpts from the report of the Secretary of War to the chairman of the Committee on Interstate and Foreign Commerce in which he says:

This bill threatens to nullify these inherent advantages (of low-cost water transportation) by imposing taxes and restrictions which will, in the opinion of this Department, unwarrantably sacrifice the public stake in low-cost transportation without any compensating benefits whatever.

He further stated:

As far as this Department is aware, there is no dissatisfaction on the part of the public with the transportation service afforded on the inland waterways; charges are fully compensatory and there is no destructive rate warfare as between carriers.

Water transportation cannot be unified or equalized. It is interrupted and suspended for several months each year in the northern portion of our country by ice and snow.

The amendment to strike out the water section of this bill is in the public interest and ought to be enthusiastically supported to preserve to the people of this country the inherent rights they now have in low-cost water transportation.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. PATRICK].

Mr. PATRICK. Mr. Chairman, I rise in opposition to the South amendment. Every time the gentleman from North Carolina [Mr. WARREN] has risen in opposition to this bill, he shouts that this is a "railroad bill." When the railroads alone had to fight this sort of thing, and when the proposition was first started, nobody thought then it was a railroad bill. Indeed, quite the reverse. When motor transportation was brought in for consideration, nobody called it a railroad bill. But when by the same token, by the same logic, and by the same measure of the application to the purposes to regulate general transportation in this Nation we embrace the sacred cow of water, those who represent a few sections of the country jump up and holler that it is a railroad bill.

Mr. Chairman, this is a people's bill. This is no one person's bill. This is no one organization's bill. If we are able to glean facts and estimate values, we must come to the conclusion that this is a bill for 130,000,000 folks, roughly called the United States of America.

Our goal is general coordination of the Nation's transport structure, to build a self-sustaining structure aiming at security and safety, not a thing that will topple over.

The gentleman from Texas told you his cow yarn, in which he gives you the analogy of regulating the grass for the cows. But our effort here is not to take care of the competition for grass, but the milk which the cow gives. This is not an effort to hobble a cow as illustrated by the yoke yarn he gave. The proposition is as to the "fencing in" process. Mr. Chairman, I resent the implication that the men of our Commission are unfair and demagogic. We have two very fine gentlemen, Mr. Caskie and Mr. Aildredge from Alabama on the Commission and there are members quite as splendid who come from other States who have no other reason or purpose except the administration of

justice as each case comes up for consideration. Why should we expect them to give anything but justice?

Instead of following the analogy suggested by the gentleman from Texas, let us get it more properly down to the point. This is not a measure to hobble a cow. This is to put a fence around to regulate the entire group. If you try to build a fence so that one or two cows can get through, the other cows will get through also. You will find that all the cows will get through at the same place. This legislation has been through the years building a fence around the whole structure, except down in the water corner.

But what happens? Why, they all get through the same hole down there. You have to build the fence all around. It is a thing of logic, it is a thing of purpose that we have to accomplish here. Twenty-seven billion dollars are tied up in the railroads, not for the interest of the railroads but for the interest of the people. You hear certain people say, "This is for the little man." You do not hear labor hollering about bearing down on the little man when they are trying to do something to keep the scab from getting in and destroying the very structure organized labor has been building up during the years. There are men in this country who, if you were to do something to do away with termites, would holler, "You are destroying the poor little termites."

Mr. Chairman, this is an effort to bring order out of chaos, and incidentally to bring water out of chaos, and it needs it worse than anybody. The general nature of this legislation is opposed to spot legislation, spotting here or there. Still remembering our illustrative friend, the cow, did you hear my little illustration? It is to the effect that we had a bunch of children draw a picture of a cow all on the same scale and in the same position, and when they finished there was not one picture that was any good, but when we took all 64 of them and put them together they made an astoundingly good picture of a cow. We have to do general legislation here. We cannot adopt spot legislation and get good law. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. West].

Mr. WEST. Mr. Chairman, I first want to say that I deeply sympathize with the committee that reported this bill. I sincerely believe they are honest and sincere in their effort, but they have looked through the keyhole at the railroads so long and listened to the crooning of the representatives of the railroads so much that they have lost sight of the public—of the fellow that has to pay the freight rates. They have absolutely disregarded in every sense of the word any benefits that might accrue to the people who live in the sections that benefit by the water rates.

Let me illustrate: I come from a section of Texas on the Mexican border that up until recently, because of the excessively high freight rates, has been unable to ship vegetables or fruits to the Atlantic seaboard. To illustrate: A man produced a carload of beets in that section and shipped it to Boston, Mass. He received \$550 for the beets. He paid the railroads \$500 for freight, leaving \$50 as a return on his investment in the land and the cost of raising, harvesting, and shipping them. In other words, he paid 10 times as much for freight charges as he received for the commodity. This does not make sense.

The Interstate Commerce Commission has drawn an imaginary line between certain sections of the country, and because we are west of that line we pay a differential of \$1,750,000 a year on produce shipped out of our section.

Recently, by bonding ourselves to death and with the aid of the Federal Government, we have secured deep-water harbor facilities. With the reduction in freight rates as a consequence we are now able to ship produce to the eastern seaboard. If this bill is adopted in its present form, or if this amendment now under consideration is not adopted, and water transportation is put under the I. C. C., we again lose the benefits of water transportation.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. WEST. I yield to the gentleman from Texas.

Mr. MANSFIELD. If the gentleman will apply to the Interstate Commerce Commission he will find that the rail rate on cotton from all south Texas points to the mill towns of Massachusetts and Connecticut is \$7.20 a bale, but if the cotton is shipped in the coastwise trade the rate ranges from \$1.75 to \$2.20 a bale, according to the schedule in effect.

Mr. WEST. I thank the gentleman for the contribution. The really sad part of the story is that some twenty years ago my section of the country applied to the Interstate Commerce Commission for relief. That case is known as the *Southwestern Rate case*. Never to this day has the Interstate Commerce Commission rendered a decision in the case, which is still pending before the Commission.

I ask all that are in favor of a square deal to the public to vote for the adoption of this amendment. [Applause.]

[Here the gavel fell.]

Mr. ROBSION of Kentucky. Mr. Chairman, ladies, and gentlemen, the amendment of Mr. South, of Texas, proposes to strike out that part of the bill that provides for the regulation of water carriers engaged in interstate and foreign commerce. I am opposed to the South amendment. The provision that this amendment undertakes to strike out is the very core and heart of the bill. Congress has placed the railroads, motor carriers, air carriers, intercoastal and coastal waterways under regulation. Inland waterways that have been subsidized by the Government to the extent of \$2,500,000,000 are not under any sort of rate regulation. They can raise and lower rates at pleasure. They can discriminate against communities, towns, and cities. They can engage in cutthroat competition.

President Roosevelt and the committee that he appointed to make a study of the question, the Senate committee, the Senate itself, and the Interstate and Foreign Commerce Committee of the House, after months of study and investigation, have declared that our transportation policy should be a coordinated and unified system of rail, motor, air, and water transportation, and in order that each of these carriers might receive just and fair treatment, and that the public interest might be protected, the Interstate Commerce Commission should be given the power to regulate water transportation as it does rail and motor.

ACTION URGENT AND NECESSARY

It is admitted that the railroads are very essential to the welfare of this country in peacetime and a great arm of defense in time of war. It is conceded that we have the most efficient railroad workers, the most efficient railroad managers, and the most efficient railroad service and the lowest freight and passenger rates of any country of the world providing anything like comparable service, and it is also admitted that our railroads are in the worst financial condition of any of the railroads in any country of the world.

Extensive hearings were held more than a year ago by our Judiciary Committee on matters affecting railroads. There appeared before our committee members of the Interstate Commerce Commission, many leading economists of the Nation who were not stockholders, employees, or managers of the railroads, many representatives of insurance companies, savings banks, and other financial institutions, and many representatives of the railroad managements and the railroad workers. Their evidence disclosed that we had about 240,000 miles of A-1 railroads. Approximately 80,000 miles were in receiverships or bankruptcy courts. Another 80,000 miles were on the verge of being forced into receiverships or bankruptcy. It was stated on the floor of this House during the debate on this bill by one of our Democrat friends that there are now 200,000 of the 240,000 miles of our A-1 railroads either in receiverships or bankruptcy or on the verge of receiverships or bankruptcy. This is a gloomy picture. If there is a remedy, this remedy should be found at once.

Neither I nor any member of my family have any stock in or hold any bonds of any railroad. I have never represented any railroad company as its attorney and have never ridden on a railroad pass. I have no personal interest in either one of these forms of transportation. I want to do that which will serve the best interests of the American people.

The American people have \$25,000,000,000 invested in the railroads. A few years ago over 2,000,000 railroad workers were regularly employed with good wages. Today there are less than 1,000,000 workers employed. The railroads as a whole have been going in the "red" for a number of years. Their total net loss for the past year amounted to more than \$160,000,000. The railroads of the country have been financed by the issue of bonds. In days gone by these bonds were considered gilt-edged securities. There are more than 60,000,000 insurance policies in force in this country. The laws of the several States require the deposit of security to insure the payment of death benefits and other benefits provided in these millions of insurance policies. Many of the States have large sums in railroad bonds placed with them for the faithful performance of the provisions of these policies. Many of the savings banks have invested large sums in railroad bonds. Many other banks own railroad bonds. I shudder to contemplate the consequences to the country as a whole in the event there should be a general collapse of the railroads of this Nation.

The railroads pay taxes in every school district, village, town, city, township, county, and State through which they pass, and taxing bodies are not always so gentle in fixing assessments and franchise charges against the railroads. These taxing units make them pay. The railroads pay annually more than \$350,000,000 in taxes to the Federal, State, county, city, and other taxing units of the Nation. If there should be a collapse of the railroads—and if nothing is done and unless business conditions greatly improve, I do not see how a collapse can be avoided for 70 percent of our railroads—this would mean that the Government would have dumped into its lap this \$25,000,000,000 enterprise to finance and operate. How many billion dollars would the Government lose annually in such an undertaking? Who would pay these billions? The taxpayers of the whole Nation. Who would have to assume these \$350,000,000 in taxes that the railroads have been paying annually while privately owned? The taxpayers would have to meet this additional burden. What effect would such a catastrophe have on our insurance policies, many of our savings banks, and other banks?

In my study of Government ownership of railroads of the various nations, I have come to one definite conclusion—the service is less efficient, wages to railroad workers are much less, and yet the cost of transportation is higher and in some countries two or three times greater than in the United States.

The railroad situation was such a year ago that there was a great demand for railroad legislation before Congress adjourned. Congress did adjourn without taking action, but the President gave the people to understand that a careful study would be made of the problem and action would be taken at this session of Congress. The President appointed a committee of very able men. They studied the question for a long period of time, and finally submitted their report with recommendations. The Senate took up the recommendations of that great committee and reported and passed S. 2009. The Senate bill then came to the House and was referred to the Committee on Interstate and Foreign Commerce, and after months of hearings and investigation they modified the Senate bill in some respects but retained its essential features and reported out what is now known as the Lea bill, S. 2009. The Interstate and Foreign Commerce Committee of the House is one of its great committees. The membership of that committee is made up of men of long service on that committee and with wide legislative experience. I am informed that the bill before us received practically the unanimous endorsement of that committee after making this thorough investigation.

Of course, everybody knows that the railroads are under very rigid regulation and supervision by the Interstate Commerce Commission. In fact, it is said that the railroads are individually owned but the owners are not permitted to supervise or manage them. Congress has placed motor transportation under the I. C. C. Inland waterways have been and are now without Government regulation. This Committee appointed by the President, in keeping with the opinion of a great many economists and statesmen, recommended that inland waterways, the competitors of rail and motor transportation, should likewise be placed under the I. C. C. It seems that it is manifestly unfair to regulate the freight and passenger rates of rail and motor transportation units and permit the water carriers to run loose. If they are all placed under one regulatory body, then rates can be fixed for all of them that will be fair and just to each of them and the public interest protected. It is clear that this Nation needs all of these units of transportation. I would be the last person in this House to vote for any measure that would destroy either one of them or give one an unfair advantage over the other or permit either one of them to gouge the public or gouge each other.

There is no doubt that we have just about regulated and taxed the railroads to death. Only a few, if any, of the motor-transportation or water-carrier units are in the bankruptcy courts. As we have pointed out, if this problem is not solved so as to continue these agencies of transportation as private enterprises and self-supporting, one of these days they will be governmentally owned and operated, and then the American people will, as they do in other countries, pay some real transportation rates, receive less efficient service, and the workers receive less wages. There will be a big loss, and the American taxpayers will have to foot the bill.

THIS BILL APPROVED GENERALLY

The business people generally of my section, many of the farmers and professional men favor this bill. This bill is also favored by at least 20 of the railroad brotherhoods and organizations, and the railroad managements of the country. One of the brotherhoods opposed the bill urging that it might reduce the number of workers, but we have already adopted the Harrington amendment which must satisfy this one objector of the railroad workers' groups.

The water carriers have been subsidized through the years. They are not taxed as the railroads and motor groups. They furnish no rights-of-way. Docks and harbors are built for them. It has gone through the years without any regulation, and it is very natural for those engaged in this carrier service to oppose this bill.

We are inclined to think that in the long run it will be to the best interests of all of these groups. Under this bill neither the railroads nor motor-transportation units can destroy the water carriers. They will be protected by this law. We have been assured by those who know that this measure will not affect adversely the motor-transportation carriers.

We must have efficient railroads to reach the farmers in all sections of the country and to serve the coal mines, and most of our factories and mills. Should not our people who receive efficient transportation service be willing to pay such a price for this service where it is honestly and efficiently managed as will enable the rail-, motor-, air-, and water-transportation units to pay their workers real American wages and to earn a fair and reasonable return on their investment? If the consumers of the Nation should insist on receiving these products and services at less than the cost of production, there will be a break-down in the production and American standard of wages, and American standard of living, with unemployment.

Industry and transportation with their workers cannot prosper unless the farmers prosper. On the other hand farmers cannot prosper unless their best customers, those engaged in industry and transportation prosper, and wage earners are employed at American wage standards.

I am supporting this bill in the hope that it is to the best interests of these various transportation groups, and to the

best interests of the workers and investors of these groups, and it will thereby promote the general welfare and best interests of the American people as a whole.

INDUSTRIAL, ECONOMIC, POLITICAL, AND SOCIAL CHANGE

The water carriers, with their subsidies from the Government and low transportation rates, are changing the industrial, economic, political, and social structure of this country. Although the population of the Nation as a whole has increased tremendously in the last 10 or 15 years, yet there has been little or no increase in the interior part of our country. Industrial enterprises are leaving the interior of our country and moving to, or near to, the great rivers, the lakes, and the coasts on the Atlantic and Pacific. The population of those States, and especially of the cities in those States, are growing by leaps and bounds. These movements are stripping the interior of the country of its population and its shops, mills, and factories; and, incidentally, it is taking the business away from the railroads and motor carriers. It was for this reason that I spoke and voted in favor of the Pettingill bill to amend the so-called long-and-short-haul clause of the Interstate Commerce Act. This movement from the interior to the water courses is creating great congested centers and adding greatly to the political power of some of the States in Congress. It is throwing our country out of balance. This movement in population is taking away the industries and the people from the smaller cities, towns, and communities, and in that way is doing great harm to the farmers and the rural sections of the interior of our country. In my opinion, the greatest force and influence in bringing this about is the cheap water rates. Of course, these water rates could not be so cheap if the water carriers were not receiving the benefit of the subsidies from the Government.

It is manifestly unfair for the Government to put rail, motor, and air transportation under such strict regulations and, at the same time, to subsidize water carriers and turn them loose to do as they please and help them to destroy their competitors.

This is not a railroad bill; it is a bill in the interest of all the people. The South amendment is against the recommendation of the President—his committee was selected to study this question. It is against the action of the Senate and against the action of the Interstate Commerce Committee of the House. It is against the best interests of the American people as a whole, and I am therefore against the South amendment and shall vote against it and vote to pass this bill. [Applause.]

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. HARRINGTON] for 5 minutes.

Mr. HARRINGTON. Mr. Chairman, yesterday my friend the estimable gentleman from Kansas [Mr. HOPE], speaking in behalf of, I presume, the farmers of western Kansas, said that he was opposed to the amendment offered by the able gentleman from Texas [Mr. SOUTH].

The South amendment strikes the inland-water regulatory title from this bill. I am for the amendment, and while not assuming to speak for all the farmers in the State of Iowa, the farmers of northwestern Iowa, northeastern Nebraska, and I am quite certain southeastern South Dakota are strongly in favor of the South amendment.

I wonder if the gentleman from Kansas believes that the Secretary of Agriculture, in speaking of this measure, was talking in the interest of the farmers when he said, quoting from his letter to the Speaker of the House, dated Monday, July 17:

Accordingly, while I believe that maintenance of the controls now exercised over railroad rates is justified by economic considerations, I have grave doubts that identical rate regulation is required of the rail competitors. Regulation of safety and the requirement of public responsibility are without doubt justified. But failure to make proper economic distinctions between these industries only postpones the sound solution of the transportation problem in terms of the public interest. It may be argued that the water carriers are subsidized and, therefore, that their competition with the railroads is not fair or economic. If this be true, the logic of the situation suggests making changes in our promotional policies with respect to transportation, and not add-

ing uneconomic rate regulations to uneconomic transport subsidy. What, then, are the remedies for the so-called transportation problem? In the first place, it should be recognized that the transportation problem is only a part of a larger problem. In reality, the country faces an economic problem, which largely consists of finding ways and means of increasing employment, production, and consumption to the end that our economic system can operate at reasonably full capacity under democratic controls. The railroads and other agencies of transport are significantly affected by and can contribute measurably to the solution to this all-important social and economic problem. Unfortunately, the railroads seem determined to find a solution for the admittedly difficult financial situation of certain rail carriers without regard for the more general solution; in fact, from their public statements it would seem that they are seeking to solve their difficulties at the expense of agricultural and other shippers, consumers, and taxpayers.

Farmers and other shippers should not be required to pay rates based on transportation costs of properties improvidently built, wastefully operated, or partially obsolete. Any effort to improve the condition of the transportation industry should be harmonized with the general welfare. The advocacy of thorough regulation of the minimum rates of motor and water carriers by a centralized agency appears to represent an attempt to use Government power to bring competing transportation agencies into a cartel, and, in this manner, to share traffic and adjust rates in such a way as to earn a return upon all transportation capital of these agencies. Hence, an umbrella would be held over the inefficient plant, and the present high rail-rate level would be protected from the impact of vigorous competition. Undoubtedly such a policy would also result in more rigid rates in times of depression, since the motor carrier and boat line could no longer play their role as an effective competitive force in bringing down rail rates on commodities susceptible to rail or truck, and rail or water movement.

I wonder if the gentleman from Kansas believes that Mr. Brenckman, of the Grange, was speaking in the interest of the American farmer when he said, and I quote from a letter placed in the RECORD by the gentleman from Mississippi, the Honorable WILL M. WHITTINGTON, under date of July 18. Mr. Brenckman has this to say under the heading Agriculture Has a Vital Stake:

There are those who assert that water transportation means little or nothing in the solution of our farm problems. That is a great mistake. As an illustration, L. R. McKee, who has been a grain dealer at Muscatine, Iowa, for a quarter of a century, reports that last year several million bushels of corn were shipped south by boat from his section and the farmers in the vicinity of Muscatine were paid from 3 to 6 cents per bushel more for their corn than they could possibly have received if it had been shipped by rail.

By virtue of the fact that water rates are lower than rail rates, a considerable part of this corn was shipped through the Panama Canal to the Pacific coast, enabling American corn growers to compete with those of the Argentine in this market.

The farther farmers are removed from their markets, the more important transportation rates become. Several years ago I had a conversation with an apple grower who owns an orchard of 46 acres in the Yakima Valley of the State of Washington. He said that during the previous year he had paid the railroads \$23,000 for transporting the products of his orchard to market.

I have a letter from C. H. Bailey, editor of the Oregon Grange Bulletin, in which he states that one of his neighbors is a man who came to the Northwest from Arkansas 25 years ago to engage in fruit growing. He has developed a fine orchard of 100 acres, but high freight rates have made his business so unprofitable that he has concluded to give it up and go back to Arkansas. He intends to sell his farm if he can. If not, he declares he will walk away and leave it.

Under present conditions, the farmers and fruit growers of the Pacific coast can effect some savings by shipping their products to southern and eastern markets by way of the Panama Canal. But if water rates should arbitrarily be raised to a level comparable with rail rates, this advantage would disappear and leave them in desperate straits.

We must not lose sight of the fact that the higher transportation costs that would inevitably result from the enactment of the pending bill would react to the detriment of the entire country. Those engaged in agriculture would be hard hit, because the farmer pays the freight both going and coming.

According to the Bureau of Agricultural Economics, last year the farmer received 40 cents out of every dollar spent by the consumer for food. During the depth of the depression, the farmer's share of the consumer's dollar dropped to 33 cents. While those engaged in transportation and distribution perform a legitimate and indispensable service, no fair-minded person can deny that when this service costs vastly more than the share received by the farmer or the producer, it amounts to the same thing as an economic crime.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. DISNEY].

Mr. DISNEY. Mr. Chairman, this is the first time I have ever heard that the gentleman from Kentucky [Mr. ROSSON] was for a bill because the President was for it [laughter], but I notice that both the Secretary of Agriculture and the Secretary of War are most emphatically against this bill. I do not understand why the gentleman invokes the President's recommendation when the Cabinet members are against it.

This is the first time I have ever heard that we must regulate somebody because he is competing with somebody. The telegram that the gentleman from California [Mr. LEA] had read indicates that the reason they need regulation up on the Lakes or some other place is because of the competition between business interests. Well, if we have come to that, then I think regulation has run amuck. The Transportation Act of 1920 laid down a very serious policy, and I wonder when we are going to quit legislating for the minority. That is what this is. It is legislation for a very small minority. The act of 1920 carries this language:

It is hereby declared to be the policy of the Congress to promote, encourage, and develop water transportation, service, and facilities in connection with the commerce of the United States and to foster and preserve in full vigor both rail and water transportation.

Are we abandoning that policy?

This is not a coordination; this is a strangulation of the waterways, and that is the object of the bill. The gentleman from Michigan [Mr. MAPES] very solemnly announced at the beginning of this debate that this is not a railroad bill, and somebody over here said sotto voce, "it just looks like a railroad bill."

I have discussed this feature of the bill with several of my distinguished colleagues from Kansas. I do not want to make a field day of the speech of the gentleman from Kansas [Mr. HOPE] delivered yesterday. I merely use the reference because that is in my locality, and I am more familiar with that area; but I think the principle relates to all agriculture. The gentleman from Kansas said that he did not see how the preservation of waterways would have an effect on either present or future freight rates in that area. I am ready to accept that challenge and give the gentleman the answer, if he will take my answer instead of that of the railroad lobby. I think I am right. I direct specific attention to the fact that wheat is moving from Kansas City into the Gulf by water for 1.6 mills per ton-mile, and by railroad for 5.3 mills per ton-mile. If that does not affect the rate out of Abilene and Garden City, then reason has ceased to operate.

Their prompt answer is that Kansas City's interest, located as she is on the Missouri River, is not parallel to the interest to the central or western part of that State. Surely they must have overlooked the fact that half of the wheat moving from Kansas and Oklahoma is handled by cooperatives who pay the farmers on the basis of the ultimate sales price, so that any reduction in transport cost is passed on to the farmer.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. DISNEY. Mr. Chairman, I ask unanimous consent to proceed for 1 minute more.

The CHAIRMAN. The time has been fixed by agreement.

Mr. DISNEY. That is true, but I make the request.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent that he be allowed to proceed for 1 minute more, notwithstanding the agreement heretofore fixed, not to be taken out of the remaining time. Is there objection?

Mr. HALLECK. Mr. Chairman, I reserve the right to object. Is that same privilege to be accorded to other people?

The CHAIRMAN. That depends upon the action of the Committee. The Chair cannot prevent a Member from making such a request. The time has been fixed by the Committee.

Mr. SOUTH. Mr. Chairman, I regret that I shall have to object.

Mr. DISNEY. I have discussed this feature of the bill with several of my distinguished colleagues from Kansas, who told me that they did not see how the preservation of the water-

ways would have an effect upon either present or future freight rates in their area. I would direct their specific attention to the fact that wheat is moving from Kansas City into the Gulf by water for 1.6 mills per ton a mile, the rail rate being 5.3 per ton-mile. Their prompt answer is that Kansas City's interest, located as she is on the Missouri River, is not parallel to the interest of the central or western part of that State.

Surely they must have overlooked the fact that half the wheat moving from Kansas and Oklahoma is handled by cooperatives who pay the farmers on the basis of the ultimate sales price, so that any reduction in transport costs is passed on to the farmer. This also influences the price paid by others than cooperatives. The same is true of cotton, so far as Oklahoma and north Texas is concerned. The same situation would affect wheat and corn in other portions of the Mississippi and Missouri watersheds.

I am interested in the development of the Arkansas River for water traffic. Once it was a great freight highway, and the time will come, unless by legislation we thwart the interest of the people, when the use of the Arkansas River for water purposes will be of vast value to northern Texas, all of Oklahoma, and Kansas.

Kansas and Oklahoma flour has little outlet to the southeastern part of the United States because of high rail rates. If the present water rates were applied to the Arkansas River after she is opened for river traffic, this would open up a vast new territory for flour to southeastern United States from both Kansas and Oklahoma. I beg of the gentlemen from both States to take this seriously into consideration. If they doubt the statements I have made, let them find out the facts from independent sources. If they are in doubt as to their procedure, why take a chance and strangle river traffic when they know that the evolution of freight traffic in the United States, if it is carried on in the interest of all people and not in the interest of the small minority, will mean the further development of the waterways in the people's interest. We cannot artificially do for the railroads what they cannot do for themselves under the law of natural competition and supply and demand.

We have heard much about a coordinated transportation system, by putting all elements of transportation under the Interstate Commerce Commission. Mr. Eastman, Chairman of that Commission, says it will not work. He says it would not do the railroads any good, and would hurt the waterways. Substantially, he says that it is not for the benefit of all the people. A coordinated system of transportation? What intellectual integrity is manifested in that statement when by examination only 4 percent of the transportation of the country is involved, and only a small percent of the waterways transportation is affected. How can that, either immediately or in the future, seriously aid the railroads? The Secretary of Agriculture, the Secretary of War, and the Maritime Commission say that this bill is bad. A small minority, the railroads and a minority of their employees are supporting this legislation. We cannot afford to take a chance under this superficial consideration of the bill to pass this legislation without first taking the people more into our confidence and letting the people know what is contained in this legislation.

Section 3 is said to be for the regulation of river traffic, by placing it under the I. C. C. I think it would be more accurate to say that section 3 is designed for the strangulation of river traffic. While some members of the committee would seriously say that this is not a railroad bill, it would be hard to write one more designed to give the railroads a monopoly of the freight traffic of the Nation—to give a minority a monopoly on the business of all the people.

Yes, "strangulation" is the correct word. Fifty percent of the water traffic is by private carrier, 40 percent by contract carrier. If section 3 becomes a law, the contract carrier must file his schedules with the Interstate Commerce Commission. His opponents, chiefly the railroads, can promptly challenge these schedules as being "destructive rates." Then the I. C. C. can suspend the rates for 6 months. In the

lighter and more impatient vein, we would say that 6 months with the I. C. C. means 6 years.

What becomes of the army of contract carriers in the meantime—this army of people who are doing a legitimate business, the competition of which regulates itself? They simply dry up. Their customers, the shippers, will not wait. The shippers either build their own barges, or submit to the inevitable and take the railroad rates. This bill is a bill for a monopoly of freight rates by the railroads, freight rates that are now unsatisfactory to every individual in the United States.

It is not an answer to this argument to say that the bulk barge carriers are protected when they carry not more than three types of bulk material. This is the opening wedge to complete regulation, strangulation, and destruction of the contract carrier. Once the camel gets his nose under the tent with this section, it is the most natural evolution of legislation finally to let the monopoly have its own way by putting the contract water carriers out of business by a slow process of strangulation and starvation.

The inland-waterways business is regulating itself. Competition regulates it. So there is no demand by the people for this bill; there is no demand by the inland carriers themselves. The demand comes from the railroad interests, who have not solved their own problems. I dare say that if the railroads were placed under as efficient management as some of our private business in the United States they would not stay in the red.

The railroads have met the competition of busses without such methods. They have improved their passenger lines, and whereas in the old days the theory was "Let the public be damned," nowadays the public is being courted by the railroads in their passenger traffic by every convenience and accommodation that competition has caused.

Mind you, that in this bill, if the shipper is hampered by this legislation and forced to abandon his business with the contract carriers and cannot afford to buy his own vessels, he cannot escape by chartering, because the charters are not permitted to operate as private water carriers. The charter is under the regulation of the I. C. C. just as effectually as the contract carrier, subject to all the red tape of the I. C. C., all the regulations, all the delays, all the annoyances and nuisances that are involved in the bureaucratic handling of the matter by the I. C. C. I am not surprised that our greatest rate expert, Mr. Eastman, Chairman of the I. C. C., rebels at the very suggestion that the waterways be regulated by the I. C. C., because he knows, as an expert, that the waterways traffic regulates itself by the age-old law of competition.

The distinguished representative from New York [Mr. WADSWORTH] has defied any speaker to point a word in part 3 dealing with water rates that will either currently or in the long run be of any benefit to the railroads or to their employees. To this moment that question has not been specifically answered. The only reply has been a statement of generalities not based upon any factual basis.

Part 3 will mean the retardation of any development of water transportation in the future. The little fellow will be put out of business. No longer will he attempt to go into this business, because he will be "pushed around," as the expression is among the racketeers in the big cities, by powerful competitors, who, when the little fellow attempts to follow the regulations proposed here and obtain a certificate of convenience and necessity, will be faced by powerful influences on the part of the railroads and powerful competitors of the larger type, who, by their very nuisance value, which will be provided under section 3, can and will ultimately destroy the little fellow. The general public will suffer the consequences of the artificial regulation of an already naturally regulated business regulated by the natural law of competition.

How can we complete the development of our waterways under such a false promise by the operation of such a false process? No; this bill is in the interest of a minority and not in the interest of the people.

SAVINGS TO THE FARMER ON SHIPMENTS OF GRAIN BY WATER

MUSCATINE, IOWA

The following is a recent statement made by L. R. McKee, a grain dealer of Muscatine, Iowa:

"It has been said the producer and consumer do not gain from cheap river transportation. I have lived in Muscatine for about 30 years, and have been in the grain business here for about 25 years, and own and operate an elevator at this point on the river. Last year several million bushels of corn were shipped south and the farmers in the vicinity of Muscatine were paid from 3 to 6 cents per bushel more for their corn than they possibly could have received if shipped by rail. It permitted also the consumer of this grain in the South to buy his grain cheaper, thus a saving was effected both ways."

ST. LOUIS, MO.

When the barge line appeared on the Mississippi River in 1918, the rail rate on wheat from St. Louis to New Orleans was 18 cents per 100 pounds. Because of water competition the rail rate on wheat from St. Louis to New Orleans today is 11 cents per 100 pounds, while the water rate is 8 cents per 100 pounds. How long will this rate continue if the Interstate Commerce Commission gets control of port to port water rates?

PEORIA, ILL.

Memorandum prepared by H. H. Dewey of W. W. Dewey & Sons, Inc., grain dealers in Peoria, Ill., showing prices paid for grain during the month of June 1939 at an elevator at Henry, Ill., which has no water connection, and at Pekin, Ill., with both water and rail connections.

[Cents per bushel]

	No. 2 corn		No. 2 wheat	
	Henry	Pekin	Henry	Pekin
June 1.....	44	46	68	69
2.....	44	46	68	69½
3.....	44	45½	68	69
4.....	44	45½	66	67½
5.....	44	45½	66	67½
6.....	44	46	66	68
7.....	44½	46	64	66
8.....	44	45½	64	65½
9.....	44	45½	64	65½
10.....	43	45	62	64
11.....	43	45	62	64
12.....	43	45	62	64½
13.....	43	45	62	64
14.....	43	45	62	64
15.....	43	45	62	64
16.....	43½	45½	60	64
17.....	43½	45	60	63
18.....	43½	45	60	62½
19.....	42	44½	59	61½
20.....	41	43½	58	60½
21.....	42½	44	59	61½
22.....	41½	43	59	61½
23.....	41½	43	59	62
24.....	42	43	61	63
25.....	41	43	59	62½
26.....	42	43½	60	64
27.....	41	43	59	63
28.....	42	43	59	62½
29.....	41	43	59	63
30.....	41	43	59	63
Average.....	42.9	44.7	62.2	64.5
		42.9		62.2
Average Pekin price above Henry.....		1.8		2.3
Price increase to farmer on grain carried by water (percent).....		4.2		3.7

LONE TREE FARMERS EXCHANGE,

Lone Tree, Iowa, June 24, 1939.

MR. LACHLAN MACLEAY,

President, Mississippi Valley Association,

511 Locust Street, St. Louis, Mo.

DEAR MR. MACLEAY: We observe from certain reports of the Senate Committee on Interstate Commerce and certain information being circulated by the railroads, that it is questionable as to whether the farmers and producers of grain in territory tributary to the Mississippi River have realized any of the benefits of cheaper water rates. It is our understanding that the above-mentioned organizations have gone on record as stating that the farmers have not received any benefit and, because of this, we wish to tell you of our experiences with the movement of grain out of our territory over the Mississippi River.

During 1938 our organization, a farmers' cooperative grain elevator located 32 miles directly west of Muscatine, Iowa, and owned and controlled by an active membership of 300 farmers, moved a total of 550,000 bushels of corn to Muscatine which was loaded on barges and shipped to various southern points along the Mississippi River and for export. Due to this grain moving by river we were in a position to, and did, pay from 3 to 5 cents per bushel more for grain than we could have paid for it had we been limited entirely to movement of the grain out of our town by rail.

In addition to paying the farmers a premium for their corn of from 3 to 5 cents per bushel, we found that we, because of river movement of this corn, could realize approximately 30 percent more net profits in our handling of this grain to our organization which profit was at the end of our year, returned quite largely to our participating stockholders in the way of stockholders' dividends.

In addition to the grain we moved to Muscatine for river shipment, we know of numerous other similar organizations within a radius of 100 miles of Muscatine, Iowa, that have realized the same benefits to their organization and to their farmers as we have and any statements made by railroads or any Senate committee to the effect that the farmers have not received an immediate money benefit by the movement of their grain on the river is unfounded and would not be made by one who is acquainted with what is actually happening.

Yours very truly,

LONE TREE FARMERS EXCHANGE,
M. GASKINS, Manager.
MARJORIE McMAHON, Bookkeeper.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, much has been said about inland waterways during the past few days. There is one thing we all agree on, and that is that inland waterways represents cheap transportation. Let us analyze for a moment this cheap water transportation by comparison with modern rail transportation to ascertain whether or not any inequality exists between the two and who pays the difference.

Let us take, as an example, the Mississippi River, developed at a cost of \$145,000 a mile, with an annual maintenance cost of \$2,300 a mile.

Next the Missouri River, constructed at a cost of \$195,000 per mile, with an annual maintenance cost of \$2,900 per mile.

Next the Ohio River: It has cost in construction \$142,000 and maintained at a cost of \$3,880 per mile.

New York Barge Canal: \$337,000 a mile to construct and maintained at a cost of \$4,749 per mile.

Cape Cod Ship Canal: \$1,500,000 a mile and \$20,000 a mile to maintain.

If time permitted, I could proceed at length in analyzing the cost of construction and maintenance of inland waterways, which to date has cost the taxpayers of the country \$670,000,000. Do not forget, the taxpayers in every State, in every community, are paying the bill for this so-called cheap water transportation.

Now let us take the railroads. The investment in rail roadway averages about \$61,000 for each mile of line, including the cost of sidings, yard tracks, and so forth.

The maintenance of the track and structures averages \$1,733 a year for each mile of line—less than half the cost of maintaining the channel of any inland waterway.

The total economic cost of doing the job on the railroads is less than it is on the rivers and canals, even when it is considered that, besides paying their own cost, the railroads pay taxes averaging more than \$1,400 per mile of line each year, or approximately 10 cents out of every dollar taken in.

In other words, the railroads pay their own way and are expected to stand idly by and see the taxes they pay used to subsidize a cutthroat competitor.

Let us not forget that the taxes paid by the railroads of this country maintain many political subdivisions of our Government, such as school districts, hospitals, and so forth, while, on the other hand, the inland waterways contribute nothing by reason of the fact they pay no taxes.

Do not be misled by the lobbyists for inland waterways, a mode of transportation that has been living off the taxpayers of this country and refuse to recognize a contribution to their own welfare, as well as the transportation industry in general, by being placed under supervision of the Interstate Commerce Commission.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HAVENNER].

Mr. HAVENNER. Mr. Chairman, I entertain a high regard and esteem for the able chairman of the committee in charge of this bill, my distinguished colleague from California [Mr. LEA], and for the other members of his committee, but I cannot bring myself to agree with the fundamental premises upon which the philosophy of this legislation is apparently based.

Great emphasis has been laid by the proponents of this measure upon the importance of protecting the investors in railroad securities. Indeed, this argument has been stressed so strongly that it might reasonably be inferred that this is one of the primary purposes of the bill. And a further analysis of the arguments in support of this objective might logically lead to the conclusion that investors in competing enterprises, and the employees of such enterprises, would have to be sacrificed, if necessary, in order to guarantee the welfare of the railroad security holders. This appears to me to be a dangerous doctrine in American legislation.

I would be deeply interested in legislation designed to protect conservative investment of private capital in the legitimate private industries of this Nation, but transportation is not properly a private industry. Indeed, it is in the highest sense of the word a public industry. It is an industry which concerns every individual in the United States, and which has a vital relationship to the life of the Nation.

And unhappily the investment of private capital in American railroad securities has not always been on a conservative basis. I venture the assertion that the railroads would not be in financial difficulty today but for the reckless overcapitalization of many of their properties in years gone by. The people who bought those watered stocks and bonds were in most instances the victims of a cruel fraud, and they deserve the sympathy of all right-thinking persons, but there is no justice or logic in the proposal that the Government should step in and guarantee all railroad security holders a safe return on their investment, even at the expense of other vitally important transportation activities.

What I have said does not imply that I would willingly see private investments in railroad properties impaired or destroyed. Not at all. So long as the American railroads remain in private ownership I would like to see them on a paying basis, but I insist that the first consideration of all transportation agencies must be the efficiency of our Nation-wide system of distribution. If the railroads cannot perform their proper function under private ownership in the great complicated scheme of transportation and distribution which modern life demands, then the public welfare will require public ownership of the railroads. I do not urge that immediately, but I predict that if the railroads persist in trying to destroy other essential forms of transportation which they regard as competitive, they are merely heading into inevitable public control.

It is interesting to note that while some of the railroad brotherhoods have given perfunctory endorsement to this legislation—no doubt at the urgent insistence of their employers—other railroad organizations have refrained from so doing, and the maritime labor organizations have entered a most vigorous protest against its enactment. I quote from a letter addressed to all the members of the California delegation by the secretary-treasurer of the Maritime Federation of the Pacific:

The Lea bill, if enacted into law, will destroy intercoastal shipping, and will deprive maritime workers on the West Coast, East Coast, and the Gulf of a livelihood.

I may say that this morning I received from the legislative representative of the railroad trainmen in the State of California a telegram urging me to cast my vote against this bill in the interest of the workers in his organization. I quote the telegram:

SAN FRANCISCO, CALIF., July 25, 1939.

HON. FRANK R. HAVENNER,

House Office Building, Washington, D. C.:

Understand Lea transportation bill up for consideration this week. Our organization considers consolidation features detrimental railroad employees. Request you vote against bill for this reason.

HARRY SEE.

In objecting to the provisions of this bill, I do not at all dissent from the theory of regulation. Indeed I believe proper regulation to be essential in the field of transportation. But the United States Maritime Commission has been created for the express purpose of developing and expanding the American Merchant Marine, and I believe that the regulation of water-borne commerce should properly come under

the jurisdiction of that Commission. The Interstate Commerce Commission has been absorbed for years with regulation of the railroads and other land carriers. Just as our Aeronautics Authority has been specially created for the regulation and development of our air commerce, so do I believe that for the best interests of the Nation as a whole the regulation of our water commerce should be kept the special sphere of influence of the Maritime Commission.

I shall support the motion made to strike out the sections of this bill which invest the Interstate Commerce Commission with jurisdiction over water-borne commerce.

If these sections are not stricken out I shall vote against the bill. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. BULWINKLE].

Mr. HARRINGTON. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. BULWINKLE. If it is not to be taken out of my time.

The CHAIRMAN. It will be taken out of the gentleman's time.

Mr. BULWINKLE. I do not yield, then.

Mr. Chairman, there is a clear-cut issue presented in this amendment whether or not we will vote to include the regulation of water transportation with railroad regulation and with motor-vehicle regulation. In discussing that in the brief time that I have I want to state that a new procedure has arisen in the House of Representatives unheard of in my 18 years of experience here. While our committee was considering this subject, just as soon as the hearings had closed, and before the subcommittee was appointed, 12 Members of this House—I believe it was 12—sent a letter out to the membership of the House asking them to be against the Wheeler-Lea bill, without knowing what was in it, without knowing whether water was to be included in it. If they say that they knew water was to be included in it, then they had sufficient notice all this time of that, and they were not taken by surprise as they would have you believe now.

Another thing I want to call attention to: They say they do not want regulation. No; but practically every speech says, "We do not want this Interstate Commerce Commission to perfect this regulating." Let us see who composes the Interstate Commerce Commission.

Joe Eastman, from Massachusetts. I ask any man here from New England, does he think that Mr. Eastman is so railroad-minded that he would be unfair to any other carrier that might be included in this? Certainly there is not a man here who would rise and say so.

Clyde Aitchison, of Oregon. There is no man who could say one word against Mr. Aitchison.

Claude Porter, of Iowa, from the State of the gentleman who is opposed to this bill, and the gentleman nor no one else would say that Mr. Porter is anything but a high-minded, upright, clean, outstanding lawyer who would do his duty.

William E. Lee, of Idaho. I challenge anyone to say anything against him or any decision that he has made.

Charles D. Mahaffie, of the District of Columbia, a man of high character; a career man. Nobody would say anything against him, and I challenge them to.

Carroll Miller, of Pennsylvania. There is no man from Pennsylvania who would say aught against Mr. Miller.

Then we have Mr. Walter M. W. Splawn, of Texas. Mr. Splawn says that in order to preserve the transportation of the United States, water regulation should be included under the Interstate Commerce Commission. No man would rise and say aught against Mr. Splawn, and I challenge them to. [Applause.]

And so I could name the three able and efficient Commissioners from the South—Mr. Caskie, Mr. Rogers, Mr. Alldredge as well as the newly appointed member, Mr. Patterson—and no one will say aught against them. The amendment to strike out the entire title should be voted down.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, the chairman of my committee, CLARENCE LEA, of California, is one of the finest men I have ever known. [Applause.] His splendid character and his eminent fairness in the handling of this bill on the floor and in the committee, particularly when contrasted with the attitude of some of the opponents, ought to commend this bill to the favorable consideration of every Member of this House. [Applause.]

Perhaps I am taking a little too much on myself, but I would like to suggest to some of my friends on the other side of the aisle that I have been led to believe from the beginning that this legislative proposal is an administration proposal, favored by the administration and by the President of the United States, and asked for to coordinate and unify the transportation regulation of this country.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. The Members of the minority have gone along trying to perfect this bill.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I cannot yield. I only have a few minutes.

When this bill is put on the statute books you people will take credit for the advance that is made. The efforts of those of us in the minority, as we have labored, have been in the public and national interest, and in no other interest.

Now, let us go back a little further. From whence came the demand for this legislation? It stems from the fact that some time ago all the transportation agencies of this country found themselves in severe economic and financial trouble. The railroads, representing investments of billions of dollars of literally millions of our people, were particularly hard hit.

It was recognized that something should be done. Our committee went to work and we have brought in a bill that is fair and proper. Have you heard any of these opponents of regulation of water carriers point out any unfair provisions in this bill? Not one. The only thing they complain about is that they do not want regulation. This is the issue presented by this amendment. Passage of this bill will not destroy water transportation. It will promote and stabilize it. Its economic advantages will be preserved.

This country is committed to a policy of regulation of transportation agencies. In my time in Congress I have seen it extended to motor carriers in interstate commerce. Interstate pipe lines of natural gas have also been regulated. Air carriers are now regulated. Today water carriers alone are substantially unregulated. They are free to carry where they will at whatever price they choose in competition—direct competition—with the regulated transportation agencies of the country. Is this fair?

As a matter of simple justice, as a matter of equity, as a matter of fairness, I say that if regulation is good in one part of the field of transportation, then regulation should be applied evenly over the whole field of competing transportation systems. We have exempted from this bill now those parts of water transportation that are noncompetitive. We have been fair in this bill.

Now let me say something else to my friends on the committee. I suppose a lot of people would characterize me as something of a conservative, and I am frank to say that I frequently have trouble getting myself to the point where I can believe in the further extension of government in the direction of regulation. I have opposed a lot of it, but after careful, deliberate, and complete consideration of this problem I am convinced that in the interest of fairness, in the interest of the preservation of all of our systems of transportation, and in the interest of the very economy of our country it is imperative that we have a unification and coordination of control for competing systems of transportation. It is nothing more than fair.

This amendment should be voted down and this title kept in the bill. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. SIROVICH].

Mr. SIROVICH. Mr. Chairman, the fundamental principle underlying this interesting debate has been the propo-

sition, Shall water transportation be regulated in order to preserve the railroad transportation of our Nation?

Pretty nearly every speaker who has thus far spoken has commented upon this principle.

In order that there may be no confusion, I shall attempt to clear the muddy waters and talk about the four different groups of water transportation. I have no objection against the railroad provisions in this bill and would be pleased to vote to help the railroads if water transportation would be eliminated from the category of regulation under the supervision of the Interstate Commerce Commission.

Let me briefly discuss the four methods of water transportation. First, we have foreign transportation, otherwise known as international transportation, which deals with the foreign commerce of the world. This transportation is regulated by the Maritime Commission, through the medium of construction differentials, operating differentials, and trade-route regulations imposed upon our oceangoing carriers that convey passengers and cargoes to all parts of the world.

The second form of water transportation is called intercoastal. Why? Because these ships travel from the Atlantic or Pacific Oceans but they must go through the Panama Canal. The rates on these intercoastal ships are regulated by the Maritime Commission through an act passed by the Congress of the United States in 1933.

The third form of water transportation is known as coastwise or coastal transportation. This form of shipping deals with ships that pass either along the Atlantic coast, the Gulf, or the Pacific coast but do not travel through the Panama Canal. In coastwise shipping we have regulation by the Maritime Commission of all rates, both maximum and minimum, passed by an act of Congress in 1935. Thus, Mr. Chairman, we behold international, intercoastal, and coastal shipping regulated by the Maritime Commission. This sentiment has not been called to the attention of the Members of the House.

Fourth, we have inland-water transportation, which deals with private carriers, contract carriers, and common carriers whose commerce pass through all the inland waters of the United States from the Atlantic to the Pacific and from the Gulf to the Great Lakes.

This form of water transportation deals with 3 percent of all transportation that is carried in the United States. Against this inland water transportation of 3 percent, the railroads, the busses, the trucks, carry 97 percent of all transportation of our Nation. Now, of the 3 percent of inland water transportation, 50 percent is carried by private carriers. These private carriers are controlled and owned by great corporate interests such as oil, coal, lumber, and countless other organizations. According to this bill these private carriers are exempt from the provisions of regulations. That leaves, therefore, only 1½ percent of inland waterways that could be regulated by the Interstate Commerce Commission. The contract carriers carry 40 percent of inland water transportation and if you regulated these contract carriers you would destroy them, because all their owners would become private carriers.

It therefore leaves the balance of 10 percent of the 3 percent of inland waterway transportation that belongs to common carriers who would be regulated by the Interstate Commerce Commission if this bill is enacted into law.

Summarizing it all together, therefore, it would bring one-third of 1 percent of inland waterways under regulation by the Interstate Commerce Commission.

I appeal to you, ladies and gentlemen, as intelligent Members of the House of Representatives, to let me know whether one-third of 1 percent of small common carriers are today destroying the transportation of the railroads, busses, and trucks which carry 99½ percent of the transportation of our Republic. It seems ridiculous. This bill will destroy the common carrier of inland waterways throughout the Nation. It would be the same as if I told you I could disinfect the Mississippi River by throwing a teaspoon of carbolic acid into its waters to bring about complete disinfection. The passage of this bill will make it impossible in the future for

common carriers, who carry small products produced by Nature's soil and small manufacturers, from being conveyed on inland waterway transportation. It will compel the small common carrier if he wants to go into the inland waterway business to secure from the Interstate Commerce Commission a certificate of necessity and convenience, which they would refuse to give him because there would be no necessity for his existence.

Mr. Chairman, even inland water transportation which would come under regulation by the Interstate Commerce Commission, which as I have called to your attention is one-third of 1 percent, is already regulated, because of a bill that our Merchant Marine Committee passed unanimously and which is now before the Rules Committee of the House awaiting a rule to bring it out on the floor for final passage.

We, therefore, behold the four forms of water transportation—international, intercoastal, coastal, and inland-waterway—all regulated today by the Maritime Commission, which has done remarkable work in trying to regulate rates between the different competitive groups that utilize the waters of our Nation to help the agricultural, industrial, and commercial interests. Because only one-third of 1 percent of our inland waterways would be regulated in this bill, I appeal to you to eliminate it from the provisions of this legislation and make inland water transportation as free and independent as aviation is today. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON of New Jersey. Mr. Chairman, the time at my disposal being so brief, I regret that I will be unable to yield until I have finished.

The issue that is raised by this amendment, to strike out the water-carrier section of the bill, strikes at the very heart of the bill. If this amendment should prevail the purpose of the bill, namely, a coordinated national transportation system fails.

This bill seeks to establish a national transportation policy in the public interest. The necessity for such a policy has been recognized and recommended by every group, within or without the Government, that has given the subject impartial study and consideration.

The President, on every occasion that he has spoken on the transportation problem and that has been frequent during his administration, has recommended a policy that would include railroads, motor and water carriers, in a coordinated national transportation system under the regulatory jurisdiction of the Interstate Commerce Commission.

The opponents of this program have not sought to dispute the advantages of such a policy insofar as it relates to railroads and motors, but only as to water carriers.

Their objection to the inclusion of the latter has been based upon the false premise that the purpose of the bill is to give an advantage to railroads over water carriers. There is nothing in this bill to justify such a conclusion. A careful reading of the bill will demonstrate to any impartial mind that the regulation provided is neither unfair nor unjust in its application to water carriers. It provides for even less regulation of water carriers than now applies to railroads and motortrucks and busses.

The Committee in drafting this legislation has sought to provide no more regulation than is absolutely necessary to accomplish the purpose of a national transportation system wherein the inherent advantages of each form of transportation are recognized and preserved, to be administered in the public interest, by a Government agency that through more than 50 years of experience is better equipped to accomplish the purpose than any other.

All of our transportation agencies, by rail, by highway, by water, by pipe line, and by air have developed independently and in piecemeal fashion. As each originated and each grew, there was little or no thought of the general national situation.

In the beginning our rivers near the seacoast and the high seas were practically our only means of transportation.

Movement by roads was slow and tedious and greatly limited in extent. Some of the opponents of this bill have based their conclusion of the right of water carriers to be excluded from regulation upon a declaration of policy enunciated during the existence of the Confederation, prior to the adoption of the Constitution and the formation of our present Government thereunder. At that time waterways, as I said, were practically the only means of transportation. At that time the roads existed only along the seaboard. None that were capable of any considerable travel existed in the interior. The individuals who in that day recognized the supremacy of waterways and made the declaration of policy that recognized them as having such a status did not and could not envision the vast network of transportation facilities that exists today, consisting of railroads with 240,000 miles of tracks, thousands and thousands of miles of improved roads over which move millions of motor vehicles every day, and with thousands of aircraft throughout the Nation flying hundreds of thousands of miles every year. Indeed, that policy upon which the opponents of this bill base their present-day claim, of the right of water carriers to be exempt from regulation, is in a very true sense a "horse and buggy" day policy as compared to present-day need growing out of a complex and complicated system of transportation. Those former days presented no problems that made necessary any form of regulation. But that time has long since disappeared.

During the years that have intervened there have been distinct transition periods in methods of transportation. Following the water-carrier period came the railroads opening a vast domain to settlement, then the motor, and finally the aircraft—all of these existing agencies of transportation have a permanent place and a definite sphere within which each can operate most effectively. What is that place? What is that sphere?

While the railroads are the backbone of our transportation system, yet trucks and busses are here to stay and will develop, and likewise our great natural resources in navigable streams must be more fully utilized, and transportation by air, now in its infancy, must be developed and encouraged to expand. Each of these have had their advocates who have pressed the claims of each to the exclusion of the others until, as the President pointed out in his message to Congress on June 7, 1935:

It is small wonder that in a transportation picture so confused the public has been inadequately served.

He then proceeded to recommend the passage by Congress of a series of bills providing for the regulation of air carriers, motor carriers, and coastwise, intercoastal, and inland water carriers under the jurisdiction of the Interstate Commerce Commission.

It is high time—

Said the President in that message to Congress—
to deal with the Nation's transportation as a single, unified problem.

This bill seeks to do that very thing. Since that message motor carriers and aircraft have been brought under regulation by legislation reported to this House by the committee that now presents this bill. Water carriers—coastal and intercoastal—have also been partially regulated. Railroads have been under regulation for more than 50 years. This present legislation seeks to complete the unified system that will provide coordinated transportation in all its branches.

Time and again the charge has been made that there is no demand for this legislation with respect to its application to water carriers. That is not so. The truth is that substantial water carriers, almost without exception, are anxious and willing for regulation that will stabilize an industry that is sorely depressed by the present cutthroat practices of the chiselers within the industry.

General Ashburn, president of the Federal Barge Line, a Government-owned and operated water carrier, as I said on Saturday last during general debate, in testifying before the

House Committee on Merchant Marine and Fisheries on May 8, 1935, said:

I advocate all forms of shipping should be placed under the Interstate Commerce Commission.

Similar views, as to the necessity and advisability of regulation of water carriers were expressed by L. W. Childress, president of the Mississippi Valley Barge Line, testifying before a Senate committee; he said:

Conditions prevailing in the transportation industry persuade me to believe that stabilization of rates—a matter in which the public has a very vital interest—can come only through Federal regulation.

He then stated that 95 percent of the common-carrier traffic on the Mississippi and Ohio Rivers is handled by his company and the Federal Barge Line, both of which were in favor of Federal regulation.

Now, as to the charge that coastal and intercoastal carriers were opposed to regulation, Mr. John J. Burns, counsel for the American Merchant Marine Institute, when testifying before the Senate committee on S. 2009, said:

It may be conservatively stated, therefore, that a majority of the substantial waterway carriers are in favor of regulation by the Interstate Commerce Commission.

The charge has also been made that shippers were not in favor of regulation of water carriers. Mr. Childress, in his testimony before the committee, already referred to, said:

That the shippers are overwhelmingly in favor of regulation appears to be evidenced by the vote on a referendum on the subject taken by the United States Chamber of Commerce. One thousand six hundred and fifty-four local chambers of commerce voted in favor of regulation, while but 286 voted against it.

The charge has also been made that the purpose of the bill is to destroy water carriers—drive them out of business. The charge is so ridiculous that it needs no answer. Would representatives of the water carriers, such as I have mentioned, favor legislation the purpose of which was to destroy them? Would the "Committee of Three" appointed by the President, consisting of Chairman Splawn, Commissioners Eastman and Mahaffie, recommend legislation to drive water carriers out of business, or, would the President recommend this legislation to destroy water carriers to promote the interests of the railroads? No fair or impartial mind would harbor such a thought much less express it.

It has also been said that this bill would raise the rates of water carriers to the level of rail rates. This is just as preposterous as the charge that the bill seeks to destroy water carriers. Opponents of motor regulation when that bill was under consideration by this House made similar statements. The administration of the act in the succeeding years has proved the falsity of the charge. I do not hesitate to say that no one engaged in the motor carrier industry would want that act repealed. Why? Because regulation has stabilized the whole industry to the mutual advantage of carriers and shippers. It eliminated the "chiselers" whose operations had brought chaos and distress. The administration of this act will prove just as beneficial to the water carriers and the shippers who utilize their service. It is the "chiseler" in the water-carrier industry, as in others where they exist, who oppose regulatory measures such as this bill provides.

I wish to say a word or two in answer to the charge that regulation of water carriers would mean higher rates to the farmer. This was emphatically denied by Senator REED of Kansas, when speaking on S. 2009 in the Senate. He said:

I am saying that nobody has ever been able to point out how any benefit has been derived by a farmer in the State of Kansas from the water rate. I think the statement applies equally to Minnesota, to North and South Dakota, and the rest of the so-called grain States. It has never been possible for anybody to show that the farmer got any benefit out of the water rate and General Ashburn's letter to me dated May 10, 1939, is a complete demonstration of that fact.

Senator REED further said that he made that statement:

Without fear of successful contradiction, having tried for 20 years the class of cases in which the question of marketing costs and effect of water transportation rates upon the price of grain to the farmer is involved.

This bill represents the honest and sincere effort of a committee that has sought after weeks of hearings to present to this House a bill that will be helpful to railroads, motor carriers, water carriers, and beneficial to the public at large. It deserves your support and we ask that the emasculating amendment now before the House be voted down.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. CROSSER].

Mr. CROSSER. Mr. Chairman, the bill now before the House for action is an earnest attempt to systematize and coordinate the transportation agencies of the country, so that the general public, the transportation workers, and the transportation agencies of all kinds may enjoy the greatest possible measure of justice in connection with the transportation business.

We have open to us but two ways to control transportation agencies of all kinds. Either the public must own and operate them or, if they are privately operated, the public must regulate them.

There are some who are opposed to both regulation and public ownership. They insist that private owners of transportation agencies should have a free hand and that there should be no interference by way of regulation.

Even those who are opposed to public regulation must admit, however, that if one kind of transportation agency is subjected to regulatory laws, then all competing transportation agencies should be governed in accordance with the same principles.

Although railroad workers would benefit as much as any group from just regulation, it was indicated by one of those opposed to the bill that the railroad workers of the Nation are not wholeheartedly in favor of the measure. One or two letters have been received indicating that some members of the brotherhoods, the heads of which constitute the Railway Labor Executives' Association, are not in favor of the legislation. No doubt that is true, for there never was a case in which every member of any organization agreed with the majority action of such organization. There is no doubt, however, that the great majority does approve this legislation.

Let me call attention to the last issue of Labor, a publication devoted to the welfare of railway workers. I read a few excerpts from the editorial as follows:

House urged to ignore propagandists' pleas, and pass rail bill.

That is the headline. The editorial further states that—

It has the support of the President of the United States.

It is earnestly endorsed by the Railway Labor Executives' Association, speaking for the Standard Railway Labor Organizations, with close to 1,000,000 members.

In the matter of railroad consolidations, the bill safeguards all interests. The element of Government compulsion is removed, the carriers are permitted to submit plans for mergers, but the I. C. C. is designated a watchdog to protect the public interests.

The Lea bill has the solid backing of the Railway Labor Executives' Association.

I have a telegram which I received from George M. Harrison, president of the Brotherhood of Railway Clerks, Cincinnati, Ohio, reading as follows:

WASHINGTON, D. C., July 17, 1939.

ROBERT CROSSER,

House Office Building, Washington, D. C.:

On behalf of 150,000 members of my organization, I urge your support of Lea bill on railroad legislation. The railroad industry must, if it is to survive, be stabilized; regulation of competition is imperative. Don't permit adjournment until this legislation is enacted into law.

GEORGE M. HARRISON,

President, Brotherhood of Railway Clerks, Cincinnati, Ohio.

While it may be true, as I have said, that there is lack of support on the part of a few members of brotherhoods constituting the Railway Labor Executives' Association, let me call attention also to a letter written to me by a member of the brotherhood which is officially opposed to the bill.

BROTHERHOOD OF RAILROAD TRAINMEN,
OHIO CITY LODGE, No. 237,
Lakewood, Ohio, July 20, 1939.

HON. ROBT. CROSSER,

Congressman, Twenty-first District of Ohio,

House Office Building, Washington, D. C.

DEAR SIR: I have been informed that the Committee on Interstate and Foreign Commerce of the House of Representatives have before

them an amendment to the Interstate Commerce Act that will extend governmental regulations, under the Interstate Commerce Commission, to waterway carriers operating on the inland and coastwise waterways of this country, the reason for this being to place these carriers under Government regulations similar to those now governing the railroads as well as other forms of transportation.

It seems to me that in these days of intense competition in the transportation field fairness and justice require favorable action on the proposal in order to stop cutthroat competition and stabilize the industry on a fair competitive basis.

I know of no better qualified or more capable governmental agency to direct this regulation than the Interstate Commerce Commission and my constituents and myself are heartily in favor of giving them this most important job.

We trust the proposal may, therefore, have your approval and support.

Yours very truly,

F. E. NEHERNZ,

Legislative Representative, 2182 Olive Avenue.

Please note that this was received in the ordinary course of the mail and is written by F. E. Nehernz, who is legislative representative of Lodge 237 of the Brotherhood of Railroad Trainmen.

So much for that.

This bill is the outcome of a serious effort to coordinate transportation agencies. The transportation business is not the mere private concern of any one of these agencies. What the committee has tried to do is to establish a firm, sound basis of operation for all of the transportation agencies of the country. You cannot control one and ignore the other. Suppose, for instance, that the railroads were paid for by the United States and then given free to a private company which would not have to make a single cent return for capital; do you suppose either the waterways or other transportation agencies could then operate successfully against the competition of the railroads?

Mr. Chairman, we must consider the transportation agencies of the country as a unit. The regulation must be done by a single regulatory authority, one that applies the same principles and the same logic to each of the transportation agencies of the Nation.

Mr. Chairman, I ask that this amendment be voted down.

[Here the gavel fell.]

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Texas [Mr. SOUTH].

The question was taken; and the Chair announced it was in doubt.

Mr. WARREN. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed Mr. SOUTH and Mr. PEARSON to act as tellers.

The Committee divided; and the tellers reported that there were—ayes 144, noes 167.

So the amendment was rejected.

Mr. WARREN. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WARREN: On page 266, line 17, strike out "2" and insert "3."

Mr. MAPES. Mr. Chairman, I make the point of order that this amendment comes too late. Perfecting amendments should be offered before a motion to strike out the section.

Mr. WARREN. Mr. Chairman, I would like to be heard upon that if there is any doubt.

The CHAIRMAN. The Chair is of the opinion that while the gentleman had the privilege of offering this amendment before a vote was taken on the motion to strike, the action taken on the motion to strike does not preclude the offering of a perfecting amendment.

The Chair will read section 7 of rule XVI, as follows:

A motion to strike out and insert is indivisible, but a motion to strike out being lost shall neither preclude amendment nor motion to strike out and insert.

Mr. BULWINKLE. Mr. Chairman, I ask unanimous consent that the amendment may be read again.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina [Mr. BULWINKLE]?

There was no objection.

The Clerk again reported the Warren amendment.

Mr. WARREN. Mr. Chairman, this will probably be the last amendment offered to this particular title. It deals with the statute of limitations on the filing of claims by shippers where there have been overcharges involved. Bear with me, if you will, when I say to you that the present Federal law allows a shipper 3 years in which to file a claim. This is just another evidence in this bill of discrimination against the shippers and consumers of the country.

A freight overcharge is a debt which the carrier lawfully and morally owes the injured party, and there is absolutely no reason why the carrier should be preferred in a debt of this nature. The statute in practically all of the States provide from 3 to 8 years for recovering of freight overcharges. Due to claim complications and audit requirements, and so forth, any reduction in the present 3-year time limit would bring great hardship upon the majority of shippers. It certainly cannot be maintained that any evil will be remedied by a law precluding the injured shipper from collecting a just debt by further restricting the present period to 2 years.

Now, get this: In the House committee print, dated March 29, 1939, the Interstate Commerce Commission definitely disapproves any reduction in the present 3-year time limit. The reduction is also opposed by the National Industrial Traffic League, the National Retail Dry Goods Association, and other nationally known organizations. As against all this, the only ones in favor are the carriers, and without any proper justification. Their real reason is to extinguish these claims at the earliest possible date, and thereby retain in their treasury large sums of illegal revenue.

The sole purpose of this section is for the carriers to rake in the dollars of the small merchants and shippers throughout the country, when anyone who has had any experience with the I. C. C. knows that sometimes it takes at least 2 years in order to even file your claim there.

Mr. LEA. Mr. Chairman, I have no objection to this amendment. The committee reduced the period of limitations to 2 years for the carriers, and left it the same as it was for the shippers. There is some question about the time involved in these overcharge cases. The committee tried to leave it the same, although it was in other provisions of the bill.

There is not any substantial objection, so we have no objection.

The amendment was agreed to.

Mr. GEYER of California. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. GEYER of California: Page 260, insert the following sentence after the amendment offered by Mr. WADSWORTH: "In the prescribing of rates, fares, and charges of any carrier subject to this act, as much of the salary of any employee of such carrier as is in excess of \$20,000 per annum shall not be considered to be an operating expense or part of the cost of rendering the service of such carrier."

Mr. GEYER of California. Mr. Chairman, this is a very simple amendment. We have been talking both yesterday and today about doing something for the little fellow. I believe here is an opportunity to do just that. My amendment says that when the Commission fixes rates it shall not take into consideration any salary for rate-making purposes of any employee who receives more than \$20,000.

When you stop to consider some of the salaries you will begin to see, perhaps, why we are trying to bail the railroads out, as we are in this bill today. I have in my possession a report of the salaries paid to some executives. The Greyhound Corporation, for instance, paid to one man \$62,275, and to another \$49,878. As I read this list of salaries think of your own salaries. We find here another salary of \$60,000 paid to an official, to another official \$40,000, and to another \$50,000. I could go on and on and read many of these salaries.

Let us remember this. By the Federal statutes the T. V. A. is limited to \$10,000 in paying salaries to its employees. We are allowing here in my amendment twice that amount. A great deal has been said about the efficiency of Govern-

ment-operated projects such as the T. V. A. If it is right and fair to limit those executives to \$10,000, surely a two-to-one shot is not unfair as far as these others are concerned.

Let us remember that these salary payments are reflected in the rates. Many things are reflected in the rates. The very legislative representatives that are here working for this bill have their salaries reflected in the rates. That is not all. The interest on the bonds is reflected in the rates, dividends on watered stock are reflected in the rates, and there are many other costs that are reflected in them. Let us give the railroads an opportunity here to come to us with clean hands. This applies to the other carriers as far as that is concerned. It will apply to all of them, water carriers and all. Let us help them to set their own house in order. Let us say that \$20,000 for an employee's salary is enough money to charge against the rates or to charge against the salaries of the lower-paid employees and against the consumers.

Mr. Chairman, I ask that this amendment be supported.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. GEYER of California. I yield to the gentleman from Texas.

Mr. MANSFIELD. Can the gentleman tell us about how many officers are drawing salaries in excess of \$20,000 a year?

Mr. GEYER of California. No; I cannot give you the exact number, but a considerable number of them are here in this long list I hold in my hand. I am sure the amount involved is enough to reflect a lower rate to our consumers and at the same time there will be more money with which to pay more workers in the lower brackets. At least we have no right to give the roads a right to raise their rates, which this bill really does, until we have closed every leak. This amendment of mine will stop one leak and show to our people that we are really concerned with the employment problem. We will be at least on record as being opposed to a few bilking the public while this Congress voted in the W. P. A. bill to doom to starvation thousands of our fine people. I cannot see how any can oppose a limit of \$20,000 on these salaries. I hope you will support the amendment.

Mr. LEA. Mr. Chairman, I rise in opposition to the amendment.

This amendment means almost nothing as a practical matter. The requirement that in computing charges for rate-making purposes compensation of employees in excess of \$20,000 must be eliminated, when the roads are annually meeting operating expenses of more than \$3,000,000,000, would look ridiculous in a piece of legislation passed by the Congress. It shows what might be done by improvident performance here on the floor affecting a serious business situation.

Mr. GEYER of California. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield to the gentleman from California.

Mr. GEYER of California. The gentleman believes, then, that we are justified in allowing these immense salaries to be paid when the railroads are coming to us and asking to be bailed out of their predicament? Does the gentleman wish to go on record to that effect?

Mr. LEA. No; that is not the question. The Congress does not assume to legislate salaries for these railroad companies. If we should determine to go into that field, let us do it considerably and on some effective plan that would really prevent excessive salaries.

Mr. GEYER of California. Evidently it is not. It seems not to be.

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I find again that I must resort to the practice of rising in opposition to an amendment which is not the matter I want to discuss in order to gain the floor. I again wish to call the attention of the members of the Committee, many of you being here who were not here on a previous occasion when I called attention to the provisions of this bill, waiving the advantages the United States

Government retains by reason of its contracts in connection with the tremendous land grants heretofore made by the Government.

Many years ago the United States Government followed a policy, possibly a correct policy at the time, possibly the only policy that could have been pursued at that time that would have given us immediately the transportation facilities that we needed at that time, of making grants of public lands on certain conditions to those who would enter into certain contracts with the Government. Among the conditions was the condition precedent of constructing certain miles of railroad. Of equal importance, as has been held by our Supreme Court on several occasions since that time, was the provision written into those contracts that the railroad and all its branches should remain a public highway at all times, open to the transportation of goods and troops of the United States without cost to the Government. Since that time we have relieved the railroads of one-half of the burden of their contract and have paid the railroads 50 percent of the regular transportation cost, but this bill proposes to waive the remaining 50 percent, not because the railroads have to have it to operate without loss, not because it is not profitable to haul Government property at 50 percent of the regular transportation cost. There are only 27 land-grant railroads in the United States today which are required by law to transport goods for the Government at 50 percent, yet there are more than 200 railroads in the United States that have voluntarily filed equalization agreements or waivers whereby they voluntarily come in and ask for the privilege of transporting Government property at 50 percent of the regular commercial rates. Do you think for one moment those railroads would have come in and asked for this privilege had it not been profitable business to do so?

Mr. WARREN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from North Carolina.

Mr. WARREN. Could not this section of the bill which the gentleman is discussing be properly termed a rape of the public domain under the gentle guise of law?

Mr. POAGE. It certainly might.

We have given very little consideration to this subject today. Every one of us recalls the burning criticism that was properly directed against those who gave away the original 50-percent privilege. Those men have been held up to scorn all during history. Yet you are called upon today to give away the remaining 50 percent. And you are called upon to do it before your people have a chance to hear what you are giving away. No, it is not done to help the railroads immediately because it does not amount to more than \$7,000,000 to \$10,000,000 a year to the railroads. It cannot bail them out of any important immediate financial crisis which is confronting them, but it can mean billions to the people of America throughout the years for which the Government has already paid, and paid well.

Are you going to be a party to that kind of transaction? I took this time that I might call upon this committee that has not yet discussed this problem, that has not yet stood before this House and told us why this provision is in this bill. I took this time that I might suggest to the committee that I am going to offer an amendment to strike it out and I would be glad if some member of the committee would rise before we reach that point and tell us why this provision is in here; tell us why it is in the interest of the people of the United States; tell us why we should give away the only remaining advantage that the people retain from our great public domain.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. SOUTH. I will ask the gentleman if it is not a fact that this provision is not found in the Senate railroad bill.

Mr. POAGE. That is right. The Senate did not put it in here. The Senate has three separate bills, two of them attempting to do this thing and another bill expressly protecting the public domain, and I understand it was not in some of the committee prints, but it just came out here

after we got it on the floor. I can be wrong on that, but I understood that in the third print it was not there, or if it were that it was in language that the average reader would not catch in reading.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. GEYER].

Mr. GEYER of California. Mr. Chairman, I ask unanimous consent that the amendment may be again reported. The Clerk read the Geyer amendment.

The question was taken and the amendment was rejected.

Mr. HARE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARE: On page 274, at the end of line 10, in section 312, add the following: "Provided, That hereafter, notwithstanding any other provision of law, no certificate of public convenience or necessity shall be issued, transferred, or assigned to an existing competing carrier engaged in a different system of transportation or to any person or corporation financially interested directly or indirectly in the operation of interstate transportation other than that provided in such certificate."

Mr. HARE. Mr. Chairman, assuming that this is to be a transportation bill and not merely a railroad bill and that we are to hereafter have three systems of transportation known as the railroad system, the motor-bus lines, and water transportation, the purpose of this amendment is to prevent either one of these agencies or systems of transportation from securing a complete control or monopoly over the other. In other words, this amendment is offered for the purpose of preventing the railroad system from getting control of the bus lines and thereby putting the bus-line system out of existence. Should this develop we will have the railroads operating their own system and in addition will be operating the bus-line system over highways constructed and maintained by the States and the Federal Government.

This amendment simply provides that no certificate of public convenience or necessity shall be issued, transferred, or assigned to an existing competing carrier engaged in a different transportation system; that is, for example, if I should obtain a certificate to operate a bus line from station A to station B, which parallels a railroad line, it would then be unlawful for me to transfer or assign that certificate to that particular railroad line. On the other hand, if a person should obtain a certificate giving him the right to operate a bus line from A to B, then it would be unlawful for the Commission to issue a certificate to a competing railroad paralleling such line. It would not prevent the Commission from issuing a certificate to any other man who wanted to operate a bus line, if the conditions and circumstances warranted it, but it would prevent them from issuing a certificate to the adjoining or competing railroad line.

My reason for offering this amendment is that if we are to maintain and protect these three systems of transportation, and I am not prepared to argue against either one, I can conceive that within a reasonably short time, not over 10 years from now, our railroad system will own and operate all the bus lines of this country. They will operate them over roadbeds constructed and maintained by the States and the Federal Government, and then the public will be deprived of that fair and just competition that arises, or is supposed to arise, from the operation of these two systems. Therefore, I think this amendment is highly important and absolutely essential if the three systems are to be maintained, and if there is to be continued fair, honest, and legitimate competition between these systems with any hope of securing cheaper freight rates. [Applause.]

[Here the gavel fell.]

Mr. LEA. Mr. Chairman, I rise in opposition to this amendment. It is another instance in which a vague amendment is presented dealing with a complicated question, where we already have adequate provisions under which the Interstate Commerce Commission grants these certificates only on the basis of public convenience and necessity, and where they adopt rules governing the transfer. If an amendment like this is to be offered, it should be presented to the committee so that we would have a chance to

consider it. It is an improper way of legislating on a question like this on the floor of the House. I think the amendment is open to serious objection, because it is so vague, referring to "a person interested in transportation" as one of those against whom the prohibition would run.

The Interstate Commerce Commission is a regulatory body, and we must give it a wide discretion if we are to have a successful administration of the act and not have it tied up too much by arbitrary rule.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. LEA. Yes.

Mr. HARE. Is there any provision in the bill anywhere that would prevent a bus line from transferring its certificate to a railroad line or a water line?

Mr. LEA. That can be done only by the consent of the Commission. Railroads are prohibited from securing control of competing line water carriers except by approval of the Commission.

Mr. HARE. But there is nothing in the law to prevent it.

Mr. LEA. Except the authority we have given the Commission. They must have discretion. If we are to bind them by arbitrary rules or prohibit them, perhaps in some cases they would be forced to do an injustice.

Mr. HARE. Under the provisions of the bill I see where they are permitted to be transferred in accordance with the regulations that the Commission may permit.

Mr. LEA. If we were to put an arbitrary bar against the transfer, in cases where there should be a transfer, an injustice might be done, and that is why it is necessary to have discretion lodged in the Commission.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from South Carolina.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word. In Massachusetts at the present time we are witnessing one of the harmful results of the unscrupulous financial control of our railroads in the past, when there existed a complete disregard in many cases of the interest of the stockholders, the bondholders, and the general public and the community served. It is such mismanagement in the past that is mainly responsible for the present predicament of the railroads. I have a strong suspicion that much of the legislative efforts of recent years, and the present bill, is for the purpose of laying the foundation for the Government to ultimately purchase the roads, not because the executives of the railroads believe in public ownership but because they deem that such is the only way of bailing the bankrupt roads out of their present financial condition—a condition due mainly to mismanagement. It is the duty of Congress to watch this situation closely in the future.

My main purpose in rising is to show the shameful result of the past mismanagement so far as Massachusetts is concerned at the present time. In Massachusetts at the present time we are witnessing the terrible result of such mismanagement. We have seen in recent weeks the abandonment of passenger service in 88 communities served by the Old Colony Railroad Co., and the intention to abandon in September service in from 50 to 55 more communities. This affects the whole southeastern part of Massachusetts, in which area served by this railroad live hundreds of thousands of persons.

In a recent meeting held in Boston the Attorney General of Massachusetts, Hon. Paul V. Dever, accused the officials ordering such termination of service of "open defiance of the State laws in failing to comply with the provision which requires the written approval of the department of public utilities for all abandonment of service." This action affects what is known as the south shore of Massachusetts, in which lives the distinguished minority leader, and in which section lives the distinguished gentleman from Massachusetts [Mr. GIFFORD], extending to the very tip of Cape Cod.

The results of this action, if successful, will mean disaster to the people of the area affected. This is not a question of discontinuance of service of some stations which could be done through consolidation of services with other stations,

but is a complete termination of the passenger in this large area of Massachusetts with its density of population. It is a disgraceful situation. It is an arrogant assertion of power in complete disregard of the interest of the people of the great area of Massachusetts. It is actions of this kind which prompts the general public and their public officials to view with suspicion legislation sponsored or supported by railroad executives. Those in control of the Old Colony Railroad would act wisely if they would voluntarily reconsider their past action and their intended action and instead of complete termination of passenger service in this large area of Massachusetts they would consolidate their stations where they can, and assure to this area and its people affected at least the basic passenger service to which they are entitled and which they so badly need.

[Here the gavel fell.]

Mr. PIERCE of Oregon. Mr. Chairman, I move to strike out the last two words.

Mr. LEA. Mr. Chairman, will the gentleman yield that I may make a unanimous-consent request?

Mr. PIERCE of Oregon. I yield.

Mr. LEA. I ask unanimous consent that all debate on this amendment close in 9 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PIERCE of Oregon. Mr. Chairman, I rise to support the amendment offered by our colleague from South Carolina [Mr. HARE].

I hold in my hand a series of letters and replies from a man living in a town close to where I live in Oregon, who wanted to put on a little truck line of three or four trucks, to do some work through southern Idaho and Oregon. That man filed his petition with the Interstate Commerce Commission for a certificate. He had to employ a lawyer, which he could not afford. It was a year before he could get his certificate. Now, the object of this amendment is simply to attempt to keep the railroads from monopolizing also motor traffic as they will continue to do if they can buy up certificates granted to their agents and hirelings for the purpose. Without this amendment the railways will be enabled to monopolize the traffic, and there will be no competing bus and truck lines. The Congress placed the trucks under the control of the Interstate Commerce Commission a few years ago. Now, water transportation has to be regulated by this same group and subjected to the same delays. It will be as impossible to get quick justice or to get a decision as it used to be a few hundred years ago in the courts of England before they were reformed. I am asking my colleagues on this floor to give serious consideration to this amendment. Adopt the amendment that has been offered by our colleague from South Carolina. It is in the interest of public service. It is in the interest of the people. If we had the management of these roads in the hands of actual railroad men instead of bankers it would be different. Today the management is all in the National Capital and in Wall Street. Time was when our railroads in Oregon were controlled from the headquarters in Portland. Then we could present our cases. Now it is simply impossible.

I am asking for a vote in favor of this amendment offered by the gentleman from South Carolina [Mr. HARE]. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Minnesota [Mr. ALEXANDER] is recognized for 4 minutes.

Mr. ALEXANDER. Mr. Chairman, I am glad to see the gentleman from South Carolina [Mr. HARE] offer this amendment, although it is doubtful if it will be agreed to. I say I am glad to see it, because it points out the fear of monopoly inherent in this bill, which is in the hearts and minds of the Members. I know as you know that this bill is sponsored by the un-American monopoly interests of Wall Street. I was surprised as I saw Members going through the turnstile here today, who on frequent occasions have come down here in the well and harangued us against the

same un-American international banker clique and against other monopolies of Wall Street financiers against the interests of the people.

Still they would support this bill and vote against all amendments which would serve to protect the interest of the public and of the employees of the railroads. Is it any worse for this bloodthirsty gang of Wall Street to take us to the cleaners one way or another? I submit that it is not.

I can understand why some men would vote for this bill, some of my colleagues who have railroad interest and background, and some Democrats, but for the life of me I cannot understand why any of our Republican friends from the Midwest, especially from the heart of this country, would support this measure, because it is absolutely detrimental and opposed to the best interests and welfare of that section of the country.

I want to call the attention of the Members from the East, Members from the New England States, from New York and Pennsylvania, and other Eastern States who are supporting this measure, to this fact: You are worrying about supporting the relief demands of the central section of the country, the South, and the Midwest, and we all agree that it is a bad situation, a very bad picture; but when you pass laws of this type you are making the situation more acute. You are going to destroy and drive out more business, force more people on the relief rolls in the central section of the country, and further destroy agriculture. You will have to support that disaster with more dollars from the Public Treasury collected mainly from east of the Mississippi.

I have before me the figures of the States which are getting the most per capita relief. It is a surprising thing that almost without exception those States are in the central section of the country, States which have enormous natural wealth and resources. There is absolutely no reason based on justice and common sense why those States should be in the mess they are today. They are occupied by good, hard-working farmers and businessmen. They have every natural advantage and facility, except that they have been hamstrung.

They have been killed off, as it were; business and industry, commerce and trade have been destroyed until today the central section of your Nation is struggling along under this great handicap of unfair and artificial rates set up by the I. C. C. and the eastern interests until you people of the East and of the New England section are being asked to dig down into your pockets more and more, month by month, and year by year to support this relief burden of the Middle West. I have the figures of the per capita loans to States, and with but one exception these per capita loans have been greatest to the States of the Middle West. There is absolutely no reason for this, for they possess great wealth and natural resources. It is only because you people of the East are not farsighted enough, you are too narrow-minded, you have not the foresight to see that when you hamstring the people of the Middle West you are going to have to support them with more and greater relief.

RELIEF IN MINNESOTA

Between March 4, 1933, and December 31, 1937, the Federal Government spent for recovery and relief in the United States \$16,436,865,417, or a per capita average of \$127.16. Of this sum, \$411,202,967 was spent in Minnesota, a per capita average of \$155.05. This is nearly \$30 above the United States average and ranks Minnesota fifteenth out of 38 States outside the Solid South. During this same period Federal loans to the amount of \$12,609,896,323 were made—a per capita average of \$97.49. Of this, loans of \$318,383,623 were made in Minnesota, a per capita average of \$120.05. This ranks Minnesota sixteenth out of the 38 States here considered.

There is an extraordinarily wide range both in per capita expenditures and per capita loans within individual States. Thus, in the matter of per capita expenditures in the 38 States considered, Nevada stands highest with \$388.21, while

Connecticut is lowest with only \$80.39. Other States with high per capita expenditures are the following: Montana, \$449.12; Arizona, \$426.58; Wyoming, \$366.26; South Dakota, \$304.27; New Mexico, \$297.07; Idaho, \$284.74; North Dakota, \$280.90; and Utah, \$223.47.

In the matter of per capita loans the range is from \$235.03 in North Dakota—the highest—to \$33.37 in New Hampshire—the lowest. Other States with high per capita loans were: South Dakota, \$215.37; Nevada, \$214.88; Nebraska, \$206.96; Montana, \$194.39; Wyoming, \$181.12; Idaho, \$168.87; California, \$165.50; Michigan, \$158.20, and Iowa, \$156.93. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. HARE].

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

Mr. LEA. Mr. Chairman, I ask unanimous consent to dispense with the reading of part I of title III, ending on page 299, the same to be printed in the RECORD at this point, and amendments to any section of part I to be in order.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Part I of title III follows:

TITLE III—MISCELLANEOUS

PART I—BRIDGES OVER NAVIGABLE WATERS

DEFINITIONS

SECTION 301. When used in this part, unless the context indicates otherwise—

(1) The term "bridge" means a lawful bridge over navigable waters of the United States, including approaches thereto, used and operated for the purpose of carrying railroad or highway traffic, or both railroad and highway traffic.

(2) The term "bridge owner" means any corporation, association, partnership, or individual owning any bridge, and in the case of a bridge which is in the possession or under the control of any trustee, receiver, trustee in bankruptcy, or lessee, said term includes both the owner of the legal title and the person or entity in possession or control of such bridge.

(3) The term "Secretary" means the Secretary of War, acting directly or through the Chief of Engineers.

OBSTRUCTION OF NAVIGATION

Sec. 302. No bridge shall at any time unreasonably obstruct the free navigation of any navigable waters of the United States.

NOTICE, HEARINGS, AND FINDINGS

Sec. 303. Whenever a bridge shall, in the opinion of the Secretary, at any time unreasonably obstruct navigation, either on account of insufficient height, width of span, or otherwise, or if, in the opinion of the Secretary, there be unreasonable difficulty in passing the draw opening or the lift span or drawspan of any such bridge by rafts, steamboats, or other watercraft, it shall be the duty of the Secretary, after notice to the interested parties, to hold a hearing at which the bridge owner, those interested in water navigation thereunder or therethrough, those interested in railroad or highway traffic thereover, and any other party or parties in interest shall have full opportunity to offer evidence and be heard as to whether any alteration or changes of said bridge are needed, and, if so, what alterations or changes are needed, having due regard to the necessity of free and unobstructed water navigation and to the necessities of the rail or highway traffic. If, upon such hearing, the Secretary shall determine that any alterations or changes of such bridge are necessary so as to render navigation through or under it reasonably free, easy, and unobstructed, having due regard also for the necessities of rail or highway traffic thereover, he shall so find and shall further make a finding of fact as to what alterations or changes of said bridge are reasonably necessary for the purposes of navigation, and shall notify all parties concerned of his finding.

SUBMISSION AND APPROVAL OF GENERAL PLANS AND SPECIFICATIONS

Sec. 304. It shall thereupon be the duty of the bridge owner to prepare and submit to the Secretary, within 90 days after notification of his finding of fact, general plans and specifications to provide for the alteration or changes in or reconstruction of such bridge in accordance with such finding, and for such additional changes in, or alteration of, such bridge as the bridge owner may desire to meet the necessities of railroad or highway traffic, or both. The Secretary may reject said general plans and specifications, in whole or in part, and may require the submission of new or additional plans and specifications, but when the Secretary shall have approved general plans and specifications, they shall be final and binding upon all parties unless changes therein be afterward approved by the Secretary and the bridge owner or by a court of competent jurisdiction.

CONTRACTS FOR PROJECT; GUARANTY OF COST

SEC. 305. After approval of said general plans and specifications by the Secretary, and within 90 days after notification of such approval, the bridge owner shall, in such manner as the Secretary may prescribe, take bids for the alteration or reconstruction of such bridge in accordance with said general plans and specifications. All bids, including any bid for all or part of the project submitted by the bridge owner, shall be submitted to the Secretary, together with a recommendation by the bridge owner as to the most competent bid or bids, and at the same time the bridge owner shall submit to the Secretary a written guaranty that the total cost of the project, including the cost of such work as is to be performed by the bridge owner and not included in the work to be performed by contract, shall not exceed the sum stated in said guaranty. The Secretary may direct the bridge owner to reject all bids and to take new bids, or may authorize the bridge owner to proceed with the project, by contract, or partly by contract and partly by the bridge owner. Upon such authorization and fixing of the proportionate shares of the cost as provided in section 306 the bridge owner shall, within a reasonable time to be prescribed by the Secretary, proceed with the work of alteration or reconstruction, and the cost thereof shall be borne by the United States and by the bridge owner, as provided in sections 306, 307, and 308.

APPORTIONMENT OF COST

SEC. 306. At the time the Secretary shall authorize the bridge owner to proceed with the project, as provided in section 305, and after an opportunity to the bridge owner to be heard thereon, the Secretary shall determine, and issue an order specifying the proportionate shares of, the total cost of the project to be borne by the United States and by the bridge owner. Such apportionment shall be made on the following basis: The bridge owner shall bear such part of the cost as is attributable to the direct and special benefits which will accrue to the bridge owner as a result of the alteration, and the United States shall bear the balance of the cost, and after an opportunity to the bridge owner to be heard thereon, the Secretary shall determine the proportionate parts of the total cost of the project to be borne by the United States and by the bridge owner. Said apportionment shall be on equitable principles, that is to say (1) that the United States shall bear that part of the cost attributable to the necessities of navigation; (2) that the bridge owner shall bear that part of the cost attributable to the requirements of traffic by railroad or highway, or both, including any expenditure for increased carrying capacity of the bridge, and including such proportion of the actual capital cost of the old bridge or of such part of the old bridge as may be altered or changed or rebuilt as the used service life of the whole or a part, as the case may be, bears to the total estimated service life of the whole or such part.

PAYMENT OF SHARE OF THE UNITED STATES

SEC. 307. When the Secretary shall have approved the general plans and specifications of such bridge and accepted the guaranteed estimate of cost, and shall have fixed the proportionate shares thereof as between the United States and the bridge owner, he shall furnish to the Secretary of the Treasury a certified copy of his approval of said plans and specifications and of said guaranteed estimate, and of his order fixing the proportionate shares of the United States and of the bridge owner, and the Secretary of the Treasury shall thereupon set aside, from amounts appropriated for such purpose, the share of the United States payable under this part on account of said project. When the Secretary shall find that such project has been completed in accordance with his order, he shall cause to be paid to the bridge owner, out of the amount of Federal funds set aside for said project, the proportionate share of the total cost of the project allocated to the United States, or he may, in his discretion, from time to time, cause payments to be made on such construction costs as the work progresses; but the total payments out of Federal funds shall not exceed the proportionate share of the United States of the total cost of the project paid or incurred by the bridge owner, or, if said total cost shall exceed the cost guaranteed by the bridge owner, shall never exceed the proportionate share of the United States of said guaranteed cost, except that if the cost of the work exceeds the guaranty, due to emergencies, conditions beyond the control of the owner, unforeseen or undetermined conditions, the Secretary will, after full review of all the circumstances, fix the participation of the United States in such excess cost as may be reasonable and proper, and shall certify such additional participation to the Secretary of the Treasury for payment. All such payments to the bridge owner herein provided for shall be made by the Secretary of the Treasury on warrants drawn by the Secretary, payable to the bridge owner.

APPROPRIATION AUTHORIZED

SEC. 308. The appropriation of such money, from time to time out of the Treasury of the United States, as may be necessary to carry out the provisions of this part, is hereby authorized.

FAILURE TO COMPLY WITH ORDERS; PENALTIES; REMOVAL OF BRIDGE

SEC. 309. Any bridge owner who shall willfully fail or refuse to remove a bridge, or so much thereof as may have been found by the Secretary to be an unreasonable obstruction to navigation, or to comply with any lawful order of the Secretary, made in accordance with the provisions of this part, shall be deemed guilty of a misdemeanor and on conviction thereof shall be punished in any

court of competent jurisdiction by a fine not exceeding \$5,000, and every month such bridge owner shall remain in default shall be deemed a new offense and subject such persons to additional penalties therefor; and in addition to the penalties above prescribed the Secretary may, upon refusal of any bridge owner to comply with any lawful order issued by the Secretary in regard thereto, cause the removal of such bridge and accessory works at the expense of the bridge owner and suit for such expense may be brought in the name of the United States against such bridge owner and recovery had for such expense in any court of competent jurisdiction, and the removal of any structures, erected or maintained in violation of the provisions of this part or the order or direction of the Secretary made in pursuance thereof, may be enforced by injunction, mandamus, or other summary process upon application to the district court of the district in which such structure may, in whole or in part, exist, and proper proceedings to this end may be instituted under the direction of the Attorney General of the United States at the request of the Secretary; and in case of any litigation arising under this part, or under any order of the Secretary made in pursuance thereof, the cause or question arising may be tried before the district court of the United States in any district which any portion of said bridge touches.

REVIEW OF FINDINGS AND ORDERS

SEC. 310. Any finding or order made or issued under this part may be reviewed by the circuit court of appeals for any judicial circuit in which the bridge in question is wholly or partly located, if a petition for such review is filed within 3 months after the date such order is issued. The judgment of any such court shall be final except that it shall be subject to review by the Supreme Court of the United States upon certiorari, in the manner provided in section 240 of the Judicial Code, as amended (U. S. C., title 28, sec. 347). The review by such Court shall be limited to questions of law, and the findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive. Upon such review, such Court shall have power to affirm or, if the order is not in accordance with law, to modify or to reverse the order, with or without remanding the case for a rehearing as justice may require. Pending the final determination of any such court review no liability for penalties under this part shall be incurred and the powers thereby conferred upon the Secretary to remove or cause the removal of bridges shall be stayed.

RELOCATION OF BRIDGES

SEC. 311. If the owner of any bridge used for railroad traffic and the Secretary shall agree that, in order to remove an obstruction to navigation or for any other purpose, a relocation of such bridge or the construction of a new bridge upon a new location would be preferable to an alteration of the existing bridge, such relocation or new construction may be carried out at such new site and upon such terms as may be acceptable to the bridge owner and the Secretary, and the cost of such relocation or new construction, including also any expense of changes in and additions to right-of-way, stations, tracks, spurs, sidings, switches, signals, and other railroad facilities and property, and relocation of shippers required for railroad connection with the bridge at the new site, shall be apportioned as between the bridge owner and the United States in the manner which is provided for in section 306 hereof in the case of an alteration and the share of the United States paid from the appropriation authorized in this part.

APPLICATION OF PROVISIONS

SEC. 312. The provisions of this part shall apply to all bridges, the construction, reconstruction, or alteration of which had not begun before July 1, 1939, notwithstanding any prior order of the Secretary authorizing or requiring any such construction, reconstruction, or alteration, and compliance with the terms of this part shall constitute compliance with any such authorization or requirement of the Secretary under any other provision of law.

Mr. LEA. Mr. Chairman, I ask unanimous consent to return to pages 240 and 241 to offer amendments. These are in substance the amendments offered by the gentleman from New York [Mr. WADSWORTH] yesterday. We have agreed on language that is satisfactory to us. They are offered to carry out the purpose we had in the discussion on the Wadsworth amendment.

The CHAIRMAN. The gentleman from California asks unanimous consent to return to pages 240 and 241 for the purpose of offering amendments. Is there objection?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. LEA: On page 240, lines 15 and 16, strike out "within terminal areas of transfer, collection, or delivery services", and insert in lieu thereof the following: "of towage, freightage, lighterage, car-ferry transfer, or terminal operations."

The amendment was agreed to.

The Clerk read as follows:

Amendment offered by Mr. LEA: Page 241, lines 20 and 21, strike out "within terminal areas of transfer, collection, or de-

livery services" and insert in lieu thereof the following: "Of towage, freightage, lighterage, car-ferry, transfer, or terminal operations."

The amendment was agreed to.

The Clerk read as follows:

Amendment offered by Mr. LEA: On page 242, line 1, strike out, "common carrier by water" and insert in lieu thereof "water carrier."

Page 242, line 5, after "common carrier", insert a comma and the following: "water carrier."

The amendment was agreed to.

Mr. LEA. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by my LEA: Insert:

"Sec. 312. Any bridge, the construction, reconstruction, or alteration of which is required by an order of the Secretary issued prior to July 1, 1939, and has not been completed on such date, shall be constructed, reconstructed, or altered as required by such order, and not in accordance with the provisions of this part. In the case of any such bridge, however, the Secretary shall apportion the cost of the project between the bridge owner and the United States, and the payment of the share of the United States shall be made, in the same manner as if the provisions of this part applied to such construction, reconstruction, or alteration, subject to the following limitations:

"(a) In case such construction, reconstruction, or alteration has not begun on the date of enactment of this act, such apportionment of cost shall be made only if (1) the construction, reconstruction, or alteration is carried out in accordance with the plan and specifications, and pursuant to bids, approved by the Secretary, and (2) the bridge owner has submitted to the Secretary a written guaranty of cost similar to that provided for in section 305.

"(b) The Secretary's determination as to such apportionment, and as to such plans and specifications and bids, shall be final.

"(c) Such apportionment shall not be made if such construction, reconstruction, or alteration is not completed within the time fixed in such order of the Secretary or within such additional time (not to exceed 25 percent of the time allowed in the order for such completion) as the Secretary for good cause shown may allow."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will read.

Mr. LEA. Mr. Chairman, I ask unanimous consent that the reading of part II, down to and including line 14, on page 301, may be dispensed with, it to be printed in the Record at this point, and amendments to be in order to any section thereof.

Mr. POAGE. Mr. Chairman, reserving the right to object, is this the part that relates to land grants?

Mr. LEA. Yes.

Mr. POAGE. I shall not object, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Part II reads as follows:

PART II—RATES ON GOVERNMENT TRAFFIC
GOVERNMENT TO PAY FULL RATES

SEC. 321. (a) Notwithstanding any other provision of law, but subject to the provisions of section 22 of the Interstate Commerce Act, as amended, the full applicable commercial rates, fares, or charges shall be paid for transportation by any common carrier subject to such Act of any persons or property for the United States, or on its behalf, and the full compensation determined by the Interstate Commerce Commission as reasonable therefor shall be paid for the transportation by railroad of the United States mail: *Provided, however,* That any carrier by railroad and the United States may enter into contracts for the transportation of the United States mail for less than such compensation: *Provided further,* That section 3709, Revised Statutes (U. S. C., 1934 ed., title 41, sec. 5), shall not hereafter be construed as requiring advertising for bids in connection with the procurement of transportation services when the services required can be procured from any common carrier lawfully operating in the territory where such services are to be performed.

(b) If any carrier by railroad furnishing such transportation, or any predecessor in interest, shall have received a grant of lands from the United States to aid in the construction of any part of the railroad operated by it, the provisions of law with respect to compensation for such transportation shall continue to apply to such transportation as though subsection (a) of this section had not been enacted until such carrier shall file with the Secretary of the Interior, in the form and manner prescribed by him, a release of any claim it may have against the United States to lands, interests in lands, compensation, or reimbursement on account of lands or interests in lands which have been granted, claimed to have been

granted, or which it is claimed should have been granted to such carrier or any such predecessor in interest under any grant to such carrier or any such predecessor in interest as aforesaid. Such release must be filed within 1 year from the date of the enactment of this act. Nothing in this section shall be construed as requiring any such carrier to reconvey to the United States lands which have been heretofore patented or certified to it, or to prevent the issuance of patents confirming the title to such lands as the Secretary of the Interior shall find have been heretofore sold by any such carrier to an innocent purchaser for value or as preventing the issuance of patents to lands listed or selected by such carrier, which listing or selection has heretofore been fully and finally approved by the Secretary of the Interior to the extent that the issuance of such patents may be authorized by law.

DEDUCTION OF OVERPAYMENTS

SEC. 322. Payment for such transportation of the United States mail and of persons or property for or on behalf of the United States by any common carrier subject to the Interstate Commerce Act, as amended, shall be made upon presentation of bills therefor, prior to audit or settlement by the General Accounting Office, but the right is hereby reserved to the United States Government to deduct the amount of any overpayment to any such carrier from any amount subsequently found to be due such carrier.

Mr. POAGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POAGE: On page 299, line 4, strike out all of part II of title III of the bill, being all of lines 4 through 24, inclusive, on page 299, and all of lines 1 through 24, inclusive, on page 300, and lines 1 through 14, inclusive, on page 301.

Mr. POAGE. Mr. Chairman, I call the attention of Members to page 299 of the bill and ask them to read that section to see just exactly what is done.

I call upon the committee in charge of this bill, when and if they ever get ready, to explain why they put this provision in the bill. They will not explain it until after all opportunity for further discussion on my part has been passed, although I have called it to their attention publicly and privately.

I call upon you to look at pages 299 and 300, and see if you can tell just what this bill does. I call upon the committee to tell you if I am wrong when I say that this bill definitely and completely gives away the last vestige of advantage that the Government now has in the way of preference in railroad rates given in consideration of turning over to the railroads some 132,000,000 acres of public lands.

I call upon this committee to tell you if I am wrong when I say to you that this bill, if you pass it with this part of the title in it, will give away all the United States Government has left of approximately one-tenth of the total area of the United States.

I call upon this committee to show you, which they have not done to this late hour, why this Congress should give away all we have left of one-tenth of the imperial domain of this country.

I call upon them to tell you wherein it will save the railroads from a crisis; wherein it will serve the people of America.

I call upon them to tell you why the people of America should pay 50 percent higher freight rates for all goods that the United States Government ships in order to make an additional gift to the railroads of America, particularly when that gift will be spread out over a long period of years. It cannot be successfully maintained that we are doing something that will save the railroads from an immediate crisis. This thing is of little importance to the railroads in 1 year or 2 years, and it will not save the railroads from any crisis which they may be facing today. I call upon the committee to explain how it will.

On the other hand, it will involve a tremendous burden upon the United States Government, the greatest shipper of freight in the United States, over a period of generations to come. Talk about burdening our children's children with taxes and debts, and talk about the \$40,000,000,000 debt we have. Talk not to me about those things and then vote to give away all that we have left of one-tenth of all the area of America. The United States Government has given 132,000,000 acres of land to the railroads in return for the rights that this bill gives away. My own State has given

away nearly 30,000,000 acres of State lands, and many other States have given away larger parts of their public domains. This proposal comes to you without one single voice being raised in its defense, and the committee waits now until I have to yield the floor to come to you and tell you why you should give away more than was ever given away in the Teapot Dome scandal, more than was given away during the days of the reconstruction era, more than was given away in the Georgia land scandals, and more than was ever given away in the history of the United States. [Applause.]

[Here the gavel fell.]

Mr. LEA. Will the gentleman yield for a unanimous-consent request?

Mr. HINSHAW. I yield to the gentleman.

Mr. LEA. Mr. Chairman, I ask unanimous consent that debate on this amendment be limited to 40 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California [Mr. LEA]?

Mr. TERRY. Mr. Chairman, reserving the right to object, that request does not apply to other amendments than this?

Mr. BULWINKLE. All amendments to the land-grant provision.

Mr. TERRY. There are several other amendments which will be offered.

Mr. LEA. Mr. Chairman, I will make the request that debate close on all amendments to this section in 1 hour.

The CHAIRMAN. The gentleman from California asks unanimous consent that debate on this amendment and all amendments thereto close in 1 hour. Is there objection?

Mr. HINSHAW. Mr. Chairman, reserving the right to object, I had intended to ask unanimous consent to proceed for an additional 5 minutes, in view of the fact the gentleman offering the amendment took 5 minutes previously on this amendment.

The CHAIRMAN. That will have to come in a separate request.

Mr. HINSHAW. This comes out of all the time anyway.

The CHAIRMAN. Is there objection to the request of the gentleman from California [Mr. LEA]?

Mr. POAGE. Mr. Chairman, if this House were to go wild and vote this tremendous subsidy to the railroads then, of course, we want to ask that these railroads refund the loot they have in their hands now, which will be in the form of other amendments and certainly we want the opportunity to speak.

The CHAIRMAN. There will be no objection to amendments being offered at the proper time.

Mr. POAGE. If we take an hour discussing this amendment, then if the House were to go wild, which I do not anticipate it will, and not agree to my amendment, then we will want time to at least show the House what the next amendment is.

Mr. TERRY. Mr. Chairman, reserving the right to object, would not the chairman of the Committee on Interstate and Foreign Commerce make his request with reference to the amendment now pending. Then we will know what time we will want on the others.

Mr. LEA. Mr. Chairman, I ask unanimous consent that all debate on the amendment now pending and all amendments thereto close in 40 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California [Mr. LEA]?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HINSHAW] for 5 minutes.

Mr. HINSHAW. Mr. Chairman, I ask unanimous consent that I be permitted to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HINSHAW. Mr. Chairman, I hope to shed some light on this question without too much heat, in order that you may be able to understand better just what this proposition amounts to.

I should like to take you back in your mind's eye to the Congresses prior to the year 1850. At that time and up until that time the United States had acquired something in the neighborhood of 1,500,000,000 acres of land in the far western domains beyond the Appalachian and the Allegheny Mountains, a tremendously broad territory inhabited by wild Indians, wild animals, buffaloes, and so forth. Up until then there had been very few railroads built in the United States, very few canals, and very few highways, and it was considered by the Congress a wise step to open up that territory by aiding in the building of roads, railroads, and canals into it so that the settlers who would follow along would have some means of transportation not only to get themselves to the lands but to get their products to market.

In the course of the next 21 years the United States Government granted some 36,000,000 acres to certain States of the United States for regranting to private groups who could be induced to construct such agencies of transportation as railroads and canals in order to promote the building of those facilities. The Congress of the United States also granted to prospective railroad builders direct some 96,000,000 acres of land in order that they might have not only a right-of-way, but funds to aid in conquering that vast country.

The Government granted this land in large part in alternate sections, six sections wide on either side of the proposed rail line. The value of the land at the time it was granted averaged approximately 95 cents an acre. In order to repay itself the Government raised the price of the lands in those alternate sections which were retained by the Government to \$2.25 and \$2.50 an acre.

Mr. Chairman, this land was granted at a time when this country was wild and woolly, at a time when it cost anywhere from 5 cents to 35 cents a ton-mile to move freight in that area, a time when the Government was called upon frequently to provide troops to protect the movement of freight. The Government of the United States even in that time felt that the Government and the people had been amply repaid for these land grants. For example, the hauling of Government freight around the Horn to San Francisco then was costing the Government \$7,000,000 a year, and after one railroad was built across the country the cost of such carriage was reduced to \$2,000,000 per year.

In the meantime these railroads were built and the lands were granted. Most of the lands were patented, although a part of them were not. The lands were in turn sold by the railroad builders at very low prices to the settlers who came out and took over the lands. These were lands purchased from the railroads. The alternate sections of land were sold to settlers by the Government.

These new railroads could not survive even with the grant of those lands and receiverships were gone through. The railroads were unable to meet their expenses, because the traffic did not build up fast enough. Therefore the present holders of these railroad securities and the employees of the railroads concerned are in a way not responsible for what happened 70 to 90 years ago. It is a very different situation that we have today. Today nearly all these lands have been disposed of and, with the exception of one large block, practically none of them remain in the hands of the railroads.

When the lands were originally granted, the Government was given the right in exchange to transport its troops and materials and mails free of charge in perpetuity. The courts of the United States decided that this free transportation amounted to the free use of the roadbed and rails, but did not amount to the free use of the vehicle of transportation. The courts decided that the Government has the right to run its own railroad trains over the road, if it so desires, and transport its own mail, troops, and freight in its own engines and cars, but the Government has chosen to hire the railroads to do that and the courts have decided that 50 percent of the regular rate is the proper rate for the use of these engines, cars, and equipment.

Since all of this has taken place, the Government has gone into the freight-moving business more and more. The trans-

port of troops and the transport of materials is a very small matter now, and has been a small matter over many years. Now, the Government of the United States is transporting in the hundreds and thousands of tons every conceivable kind of commercial freight you can imagine—steel, cement, food products, and everything else, for the building of roads, dams, post offices, schools, and so forth—so the Government has put upon these roads a tremendous burden which was not contemplated when the lands were originally granted.

The question now is whether the United States Government has been repaid for these grants. It is the belief of the very large majority of your committee—I believe there is only one exception—that the Government has been repaid; and that, in view of the fact the Government is transporting all kinds of freight, which was not originally conceived of, this freight should bear the regular tariff, except that this section provides that the Government of the United States may make a deal with any railroad for the carriage of this freight at a lower price than the regular schedule.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield gladly to the gentleman from California.

Mr. VOORHIS of California. Does not the gentleman believe that in considering this question some consideration should be given to the tremendously increased value of a lot of these lands—I mean through the discovery of minerals and the increase in population, and in many other ways of that kind—so that it is not just a question of the land; it is also a question of the tremendous increment in the value of the land?

Mr. HINSHAW. I may say to the gentleman that there is a great deal of public land that has been prospected by private individuals, who have received a great deal more by accident of discovery than the railroads have.

Mr. VOORHIS of California. That is not true always.

Mr. LELAND M. FORD rose.

Mr. HINSHAW. I am sorry, I cannot yield further just now.

It has been figured out that this section would mean a possible additional payment for transportation by the Federal Government of something in the neighborhood of \$10,000,000 per annum, if the mail is taken into consideration, or \$7,000,000 if it is not. It is not a great sum in proportion to the whole bill for transportation that the Government pays.

The present bill for handling mail alone for the United States is about \$96,000,000 a year. There is \$150,000,000, I believe, in money paid annually by the several departments of the Government without considering the P. W. A. and the W. P. A., and so forth.

Now, what would happen if this section remains in the bill is that the traffic of the United States Government will be routed directly from the point of origin to the point of destination. The United States Government has until now routed traffic sometimes four or five or six hundred miles out of the way in order to use land-grant railroads and save a few nickels thereby.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I cannot yield. The gentleman has his own time.

Mr. POAGE. No; I have not any time.

Mr. HINSHAW. The gentleman had his own time and plenty of it and I must refuse to yield. To you in the Middle West, who have heard this impassioned plea of the gentleman from Texas, I will say to you that in the hearings you will find where Mr. C. E. Childe, representing the Mississippi Valley Association, O. K.'s this provision.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. The gentleman spoke a moment ago about the fact that each alternate section had been granted for a certain distance on each side of the line.

Mr. HINSHAW. Except in the lieu land cases where the distance was limited to 15 miles.

Mr. MURDOCK of Arizona. Was not that done by Congress with the basic understanding that because each alternate section was granted to the railroads, such a grant would enable the roads to be built and the roads would in turn increase the value of the Government's own land?

Mr. HINSHAW. Exactly so.

Mr. MURDOCK of Arizona. So the Government actually gave away nothing, because by the building of these railroads they more than doubled the value of the lands still belonging to the Government.

Mr. HINSHAW. The railroads set out in advance of civilization and did not follow civilization in this instance, and when they went out in was not worth anything and they made it worth something by virtue of the fact that a railroad was constructed.

Mr. MURDOCK of Arizona. Quite true, and I appreciate what the railroads have meant to the Southwest. If the builders have sinned, I believe we should not visit the sins of a former generation on the railroads of today. They are so very vital to our country.

Mr. HINSHAW. I would not want to do that and I would not want to return to the "horse and buggy" days either.

Mr. MURDOCK of Arizona. I agree with the gentleman and I may say also that it was the whistle of the locomotives that civilized the West, opened up a vast empire and chased away barbarism.

Mr. HINSHAW. That is right.

[Here the gavel fell.]

Mr. LEAVY. Mr. Chairman, I am confident that if the membership of this House fully understood the import of the language written into section 321 of this bill, and which is sought to be taken out by this amendment, the support of the amendment would almost be unanimous.

Let me say at the outset that it is unpleasant for me to oppose the genial, considerate, and gentlemanly chairman of the Interstate and Foreign Commerce Committee [Mr. LEA of California]. I dislike to do it, but there is no reason under the sun why this section should be in this bill at all, other than to permit the land-grant railroads of the United States to step out from under a legal and a moral obligation that now exists. If these railroads were to meet, dollar for dollar, that which the Government gave them in grants, they could never do it. The Northern Pacific Railroad Co. was the greatest beneficiary; the record of the hearings on this bill shows that 47,000,000 acres of land, an area greater than all of New England combined, was granted to them. It was so great in area that they have not been able even to this late date to make final selection, and they are still in process of selection. They have taken lieu lands in the forests of my district containing white pine timber worth, in some instances, from \$25,000 to \$40,000 per 640 acres, or section of land.

The issue as to whether they should live up to their part of this contract was taken to the Supreme Court of the United States twice and the Court said this in *I. & N. Railroad Co. v. United States* (267 U. S. 395):

The grant made many years ago in aid of railroad enterprise was not a mere gift or a gratuity. The carriers' obligations to haul the property of the United States at reduced rates was a part of the consideration for which the grant was made.

Now to permit this section to remain in this bill is to compel Uncle Sam to make millions of dollars of additional appropriations to carry on the activities of our Army, our C. C. C., our reclamation, our flood control, and the scores of things we are doing as a Government. It upsets the entire program based upon a rate schedule, the Government believed existed, and as I say, the land-grant railroads will never render to the Government a service commensurate with the grant to them from Uncle Sam.

The Northern Pacific cost, according to the evidence in the hearings, \$70,000,000 to build west, and they have sold \$140,000,000 worth of land that was given them to build a

\$70,000,000 railroad, and still they own hundreds of thousands of acres. In the Northwest it is scattered through the forest reserves. They should have sold this land under the grants. They broke faith then. The Government granted them these odd sections with the distinct understanding that they would sell to any bona fide applicant 160 acres of land at not to exceed \$2.50 an acre. That was the Northern Pacific Railroad Co. The railroad company went into the hands of a receiver, it liquidated, and its successor in interest was the Northern Pacific Railway Co, and the courts held that the railway company was not obligated by the limitation in the congressional grant to the railroad company. In other words, in changing from a "railroad" to a "railway," they were able to shed obligations of many million dollars. We are here called upon to ratify such conduct. But now, for this Congress to permit the railroads to step out from under an unperformed contract obligation, that many of us think was of a questionable character to begin with, would be the height of the unreasonable. This amendment should prevail. [Applause.]

The CHAIRMAN. The time of the gentleman from Washington has expired.

The Chair recognizes the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, these lands were granted to encourage the building of railroads, which made possible the winning of the West. In return for the lands, the railroads which received them have since granted the Government reduced rates and fares. What was the value of those land grants and to what extent has that amount been paid off by the railroads?

In the period from 1850 to 1871, during which the land grants were made, the Government received on an average of 94.5 cents per acre for the sale of lands in the States and Territories involved in the grants. That is the only reasonable and logical method of arriving at the value of the lands. We must take the money value of the lands at the time they were granted, for, naturally, the coming of the railroads greatly enhanced the value of the lands in later years. At the rate of 94.5 cents per acre, the 130,000,000 acres would have been valued at \$122,850,000 at the time the grants were made.

Now, a study of the savings to the Government from land-grant rates and fares, including mail, covering all American railroads, showed the amount to be about \$5,000,000 a year. Recently the Interstate Commerce Commission estimated the total reduction in rates to the Government to be \$7,000,000 annually. If mail and express were added, the annual savings to the Federal Government would not be less than \$10,000,000.

If we assume the lands were worth \$122,850,000 at the time they were granted by the Government, then, at the rate of \$5,000,000 a year in reductions of transportation costs on Government traffic, the railroads would have paid off the total value of the land grants in 24½ years. If the figure of \$10,000,000 a year is taken, the railroads would have paid in full for the lands in 12¼ years.

Recently I saw the figure 184,000,000 acres used in connection with the land grants. Even taking that figure, it is obvious that the lands granted to the railroads in aid of construction have been paid for many times over in reduced rates and fares on Government traffic.

The House bill, in effect, provides for the repeal of some of these land-grant provisions. That will mean an expected increase in railroad revenues from five to ten million dollars a year. And either figure would pay the wages of many railroaders and buy plenty of bread and butter, bacon, and beans for their wives and children.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

The Chair recognizes the gentleman from Oregon [Mr. PIERCE].

REPEALING LAND-GRANT REPAYMENT REQUIREMENTS

Mr. PIERCE of Oregon. Mr. Chairman, I wonder how much of a gift we are making Wall Street, and if we have

any right to spend public money in this manner, under subterfuge. I refer to the proposal to discontinue the half-rate charge now made the Government over land-grant railroads as a partial payment for the tremendous land grants. We will take the figures of one of the proponents of the magnificent hand-out to the railroads, of the gift of \$10,000,000 annually. Ten million dollars a year capitalized at 2½ percent a year is how much? We do borrow money at less than 2½ percent, but at that interest rate it means \$400,000,000 that we are giving away, today, and it is not an appropriation bill and has not been before the Appropriations Committee. It has the same effect as a direct appropriation of a half billion dollars, if interest is figured at 2 percent. Where are the Members who have talked economy? How can they justify this gift to Wall Street bankers when they have cut W. P. A. and other necessities? It really means that we are making Wall Street a present of around a half billion dollars. You already curtail the bus lines, and now you hamper water lines, and freight rates will go up. The present Government rates which are only a partial payment for rich gifts in the past are of great value to the United States in shipping goods into C. C. C. camps, and it is a great saving in shipping for the Commodity Credit Corporation, and for the Army. This will eat into numberless Government appropriations already made. Next session they must come to us for the money to make this good. So you are going to repeal the repayments for land grants. Will railway labor get any of the money? Not a nickel. The object is to get more money into the hands of a group which has manipulated railroad finances to the detriment of the roads and of shippers. Men who vote for this have no right to make speeches on this floor in the future about curtailing expenses. This Congress seems to be perfectly willing to spend lavishly for the privileged few and determined to economize on the needy.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. CASE] for 2 minutes.

Mr. CASE of South Dakota. Mr. Chairman and members of the committee, I have listened to more debate and read more of the CONGRESSIONAL RECORD on this particular bill, and said less in proportion, than on any other bill that has taken 5 legislative days, because this is the first word I have spoken. But I was forced to take this time to reply to two challenges that have been made, one by the gentleman from Washington [Mr. LEAVY] and one by the gentleman from Oregon [Mr. PIERCE] when they said, first, that there was no reason for this section being in the bill, except to make a gift to those roads that had already received land grants; and second, that we had no right to talk about curtailing expenses if we supported this section in the bill.

The reason this section should remain in the bill is so that the weak non-land-grant railroads of the country which are discriminated against by this section, and industries in the sections which they serve, which are correspondingly discriminated against, can have a chance to exist.

The Chicago, Milwaukee, St. Paul & Pacific, and the Chicago & Northwestern Railroads are two of the largest systems in the country. They serve the great Northwest in a large way. Neither of them is a land-grant railroad. They face one of two situations. Either they cannot get any of this Government business, or else they must reduce their rates to meet the rates of the land-grant roads. The industries in my country which those railroads serve cannot sell to the Government, because they cannot compete with the rates that are in effect for industries on the land-grant railroads.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. MURDOCK of Arizona. I want to add to your list two other transcontinental railroads, the Santa Fe and the Southern Pacific, one being a land-grant railroad and the other not. At least the Southern Pacific got no land grant in Arizona so far as I know. I agree there should be equal-

ization there if this land grant for one throws a burden on both.

Mr. CASE of South Dakota. I hope the committee will support the section as it is in the bill, and defeat the pending amendment.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, this matter has been under discussion before the Committee on Interstate and Foreign Commerce for 2 years. We were prepared to legislate upon it, as I recall, at the last session of Congress. It was contained in a separate measure then. We have had a great deal of testimony before the committee, and, as a result of it, I reached the conclusion long since that this particular provision is wise and just. I would like to call the attention of the Members of the Committee of the Whole to an extract from a letter written by three members of the Interstate Commerce Commission, Commissioners Splawn, Eastman, and Mahaffie, on April 11, 1938. That letter can be found in House Document No. 583, at page 32:

For many years land-grant reductions, usually 50 percent of the revenue accruing to that portion of the line which is Government aided, have been made on Government traffic. Through an equalization arrangement competing roads make the same reduction on Government traffic in order to participate in the business. The reduction on this account for 1937 is estimated at \$7,000,000. For the most part it affects roads in the western district, where, as above noted, financial conditions are worst. The increase in Government shipments in recent years has made this reduction from the normal rates assume important proportions.

May I interpolate, that for the last 5 or 6 years Government shipments have increased tremendously. Not only do the normal shipments continue, but every time the Government makes a grant for the building of a schoolhouse or the construction of a new waterworks in some town the raw material for the construction is shipped under a Government tag, and the railroad must carry it at a 50-percent reduction. You all realize what an enormous amount of that has been going on in the last 3 or 4 years, and apparently, unless certain conditions change, there will be no end to it.

Mr. CASE of South Dakota. Will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. CASE of South Dakota. May I say that I have seen materials shipped from hundreds of miles away to communities and underbid existing industries in those same communities where the material was to be used.

Mr. WADSWORTH. And I may say that the testimony before our committee brings out facts exactly like that.

These Commissioners say further:

No good reason appears why such reduction should continue. After all, the country must support whatever transportation system it uses. The Government, as a shipper, may well pay reasonable rates. We recommend appropriate amendments to existing statutes to remove the requirement for land-grant reductions.

That is the considered opinion of three of the leading members of the Interstate Commerce Commission.

Now, we struck rather interesting things about this in the committee. First, as has been indicated by the gentleman from South Dakota [Mr. CASE], the thing has an extraordinarily unfair effect as between competing producers. If a cement factory happens to be on a land-grant railroad, it can bid on a Government contract for the delivery of cement at a lower rate than a cement factory which is not on a land-grant railroad. That is greatly to the disadvantage of industries not situated upon land-grant roads, unless those non-land-grant roads yield to compulsion and reduce their rates by 50 percent in order to hold the traffic.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado [Mr. MARTIN].

Mr. MARTIN of Colorado. Mr. Chairman, it is a rather comforting condition to have your mind made up beyond the shadow of a doubt so that you cannot be swayed one way or the other by argument. I can state in one sentence why I am in favor of the title of this bill repealing land-grant rates, and I have lived out in the land-grant country

for a whole lot longer time than some people think I ought to be lingering on the scene, especially the young fellows who would like to come down to Washington.

I am in favor of repeal of the land-grant rates because the consideration moving to the railroads for them has long since been exhausted, while the obligation is permanent and growing. I do not believe that any such condition ought to exist.

Statutes of limitation have had to be invented by law to set things at rest. It is true that it is a continuing legal obligation, but it is an obligation that is not conscionable and ought to be no longer countenanced in the law, because it is an obligation that would never end. The railroads would be continuing to pay for this 132,000,000 acres of sagebrush and jack-rabbit country 1,000 years from now if the Nation endures that long. But, as has been well stated by gentlemen who factalized their statements, the consideration has long since been exhausted. The land is gone, most of it 40 and 50 years ago, and nothing left to show for it. The land, in the first place, was not worth over \$200,000,000 at a very liberal price. Most of it for productive purposes was not worth anything. The building of the railroads from the Missouri River to the Pacific coast reclaimed that whole country. It added to the value of every acre of it, it allowed the settlement and development of it, it increased its worth manyfold. In my opinion, the Government has been paid back and overpaid in many ways for the land grants that induced the spanning of the continent by the transcontinental railroads.

Mr. MOTT. Mr. Chairman, will the gentleman yield for a question?

Mr. MARTIN of Colorado. I yield.

Mr. MOTT. The gentleman said something about the railroads getting sagebrush and jack-rabbit land. Is it not a fact that for every acre of sagebrush and jack-rabbit land the railroads got, under legislation passed by Congress, they were allowed to trade it for other land in the public domain, which was worth hundreds of dollars an acre?

Mr. MARTIN of Colorado. I know what they got in the Middle West. There were no mines underground and no timber above ground, nothing to trade for.

Mr. MOTT. That was traded for timberland out in Oregon.

Mr. MARTIN of Colorado. That was just an uninhabited waste over nine-tenths of its area. The building of the railroads through it was the thing that brought population and civilization and added value to it. There may have been some timber spots in the Northwest. I would not deny it.

I feel that there ought to be an end sometime to the obligation, that it should not continue permanently, be clothed with immortality, and increasing with the growth of Government business from year to year. The entire picture has changed since the land grants were made over 70 years ago. There is absolutely no comparison between conditions then and now, yet the obligations of the railroads will increase permanently. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. SOUTH].

Mr. SOUTH. Mr. Chairman, there are several facts involved in this amendment upon which we can all agree. Let us see what they are. First, the Government granted more than 132,000,000 acres of land to the railroads for two purposes: First, to encourage railroad construction; and, second, the railroads receiving such lands contracted to transport Government property free. Later on that was modified by the courts, and perhaps by agreement of both parties, to 50 percent of the regular transportation charges, which is now the law. It is agreed that, unless this amendment is adopted, the railroads will be relieved from their contractual obligation to haul Government property at a reduced rate, although the railroads will be permitted to retain benefits from all lands granted to them by the Government, as payment for these concessions. It is also agreed that there is

now held by the railroads not less than 12,000,000 acres, and some authorities place it much higher. Mr. M. L. Wilson, Under Secretary of Agriculture, in a recent letter to Senator WHEELER, states:

Of that total acreage approximately 19,600,000 acres remains in the ownership of the railroads to which granted or in that of subsidiary companies.

Dr. Splawn, member of the Interstate Commerce Commission, has stated, as shown in the hearings, at page 1372:

From grants of right-of-way and other such concessions and from the total land grants, the railroads did realize nearly \$450,000,000 in cash and about \$87,000,000 in land for their own use.

Commissioner Eastman testified, as shown in the same hearings and on the same page:

If all the facts are taken into consideration the railroads have not, in my opinion, anywhere near reimbursed the Government for the values which it surrendered when the lands were donated, and much less have they paid back the values which they realized from the lands.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. SOUTH. I am sorry; I cannot yield in the short time at my disposal.

The question for us to decide is: Should the Government of the United States give over to the railroads this \$450,000,000 worth of property and at the same time surrender the remaining benefits which it now has, namely, a reduced freight rate? I do not believe we should do that. If we want to give the railroads \$450,000,000, or any other amount, Mr. Chairman, I believe we ought to handle the transaction over the table, and open and above board. If we come in at the back door, so to speak, someone is going to want to know why we did it that way. It is unquestionably a gratuity. The land-grant roads are required to haul Government property at a reduced rate.

The Supreme Court of the United States has held that it was a valid contract based upon a valuable consideration, and, therefore, enforceable. Does anyone question this statement? The only question remaining for us to determine, therefore, is whether we would be justified in giving over to the railroads this valuable right—a service they contracted to perform indefinitely. That is all there is to it. As a public representative I do not propose to approach any question so important as this by what some people would term the back-door method.

So, I believe that however much the railroads may be in distress the better plan for us as representatives of the people would be to stand upon the terms of this valid contract.

If it is an unfair contract, and the land-grant roads want to have us set it aside, let them return the lands now held by them, and at least the consideration, or money received for the land sold. The benefits which the Government has received to date amounts to approximately 4-percent interest on the value of the lands involved.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. LEA].

Mr. LEA. Mr. Chairman, in view of all that has been said, I desire to take very little time. Nearly 100 years ago the Government began to make these grants with the idea of developing the territory that was affected by the railroads that were to be constructed. At that time the land was of very little value. Some of this land the Government offered at less than \$1 an acre. Some of it in subsequent years became valuable. Some of it was timber land, which became valuable in subsequent years, but did not have much value at that time. Eighty percent of all the land granted was sold by 1890, 40 or 50 years ago, and 90 percent was sold by 1900. The beneficiaries of that grant have long been dead.

Originally the purpose of making these grants was for reserving the right to free or reduced rates on Government traffic and to give the Government the right to operate its own equipment over the railroads. It was not contemplated

that the railroad itself would operate the equipment. It was to provide a free service to the Government. In subsequent years, after the Supreme Court had clarified that question, an arrangement was made by which 50 percent of the charges were paid by the Government on the theory the cost of maintaining the roadbed was about 50 percent of the cost of operating the railroad and to that extent the Government should be free of charges. So the practice of giving 50-percent rates was put into operation.

Inasmuch as that took traffic from competing roads, the ultimate result was that both the land-grant roads, of which there were 17, and other roads affected also granted this 50-percent rate. At the time those grants were made the traffic for the Government was trivial. The main thing under contemplation was the movement of military men and supplies.

In subsequent years, of course, the movement on behalf of the Government has greatly increased. For the last 70 years the annual reduced cost on the average movement of freight has been worth about \$2,000,000 a year. That has been the benefit to the Government. In 1937 there were \$7,000,000 in freight and about \$3,000,000 in mail advantage to the Government, making a total for the Government of about \$10,000,000 a year on account of this concession. That figure for 1937 reflects the greater Government tonnage, due largely to construction activities.

There is no question about the legal right of the Government to these reduced rates, and I think the proponents of this legislation raise no question as to that. The question is whether it is an equitable thing to do in view of the changed circumstances that now prevail and the further fact that these roads are transporting Government property at below the actual cost, on the average. The rate could only be sustained on the out-of-pocket theory, if at all.

The question presented to the House is whether or not it is right, equitable, and just to the taxpayers of the United States to continue to insist on the advantage that is nominated in the bond. It is a question of whether or not it is not the equitable and just thing to relieve these railroads from carrying this property below cost for the benefit of the Government of the United States. In other words, should not the Government, in view of the situation of the carriers, pay what the carriage of its freight is worth? The amendments added to this bill permit the Government hereafter to make contracts with the rail carriers at reduced rates, both for the transportation of property and persons.

Mr. SOUTH. Will the gentleman yield?

Mr. LEA. I yield to the gentleman from Texas.

Mr. SOUTH. Has the gentleman given consideration to the matter of whether it would be fair and equitable to the railroads that now own at least 13,000,000 acres of land, which they now hold, that they be relieved of this land?

Mr. LEA. Yes.

Mr. SOUTH. What is the gentleman's idea in that respect?

Mr. LEA. My idea is that the railroads which still hold this land are in no more favorable position than the railroads that parted with it years ago. The primary purpose of the land grants was to penetrate these remote sections, provide transportation, and thereby open them up for settlement for the benefit of the country. The roads did what they agreed to do. They constructed the roads and made settlement possible. Having done what they agreed to do the roads are not under obligation to return the consideration for which they acted. Much of the land retained is not worth even the taxes on it. Some of it is valuable, but only part of the roads have any of it left. The claim against the roads that sold the grant lands 40 years ago is just as good as against the roads which still retain part of the lands. So, if we treat them all alike, we could not demand back the 12,000,000 acres without discriminating against the different roads involved. The land-grant scheme went wild. It was an improvident use of Government property that had the unfortunate effect of inducing roads where unwarranted.

But the Government got what it bargained for. Where there was fraud the beneficiaries are now dead.

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Texas [Mr. POAGE].

The question was taken; and on a division (demanded by Mr. POAGE) there were—ayes 39, noes 63.

So the amendment was rejected.

Mr. WARREN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, from the opening of the debate on this measure it was charged that this is a railroad bill, containing everything they wished, forced on the floor through the impetus of a great lobby, and that the American people have been completely ignored in its effect on them. Through every sentence and paragraph, discrimination and partiality run rampant. The few favorable amendments written into the bill on the floor were secured over the determined opposition of the committee. If it goes to conference they will all be taken out by unfriendly conferees.

This bill has been exposed in all its inequities and the white light of publicity has glaringly pointed out the sorry mess it is.

To recapitulate, it is opposed by the Secretary of Agriculture as being highly inimical to the farmers of the country. It is opposed by the Secretary of War as being against the public interest. It is opposed by the Maritime Commission as unnecessary and grossly unfair. It is opposed by the National Grange. It is opposed by the Brotherhood of Railroad Trainmen, the largest of all the brotherhoods. It is opposed by the Central Trades and Labor Council of New York City, with its 700,000 members. It is opposed by all the maritime and longshoremen unions. It will throw out of employment thousands and thousands of workingmen. It is opposed by those north, south, east, west, and center who have felt the beneficent effects of the low-cost transportation caused by the development of our natural resources.

It is a hodgepodge of uncertainties, contradictions, and unfair exemptions. It is a further step toward unbridled bureaucracy. It creates a select oligarchy and monopoly of transportation. It does away with competition and places the American people in the maw of a monopoly that has always contemptuously flouted them. It turns over perhaps the most vital problem in the Nation to the overlordship of a Commission that has never been able to see the public interest.

Why the haste? Even those in charge of this legislation will readily agree that there will be no bill at this session. Some of its provisions do not even have to go into effect until July 1941. No political party would have the gall or daring to try to foist this measure on the country in a Presidential election year. I would not want a better issue than this. You can hammer the head of an opponent off with it.

This bill ought to be recommitted. Let the committee go back and bring in a measure that has due regard for all forms of transportation. Let a bill come out that is fair to the railroads, to the trucks, to all forms of transportation, to labor, and above all to the people who have been entirely forgotten in this proposed legislation.

I reiterate that this measure is an outrageous sell-out of the producers and consumers of the Nation. [Applause.]

[Here the gavel fell.]

Mr. RANDOLPH. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. RANDOLPH: On page 301, line 6, strike out "such", and in line 9, after "amended", insert "or the Civil Aeronautics Act of 1938."

Mr. RANDOLPH. Mr. Chairman, the amendment I have offered goes to only a few lines in section 322, and I desire to direct your attention to them:

Payment for such transportation of the United States mail and of persons or property for or on behalf of the United States by any common carrier subject to the Interstate Commerce Act, as amended, shall be made upon presentation of bills therefor, prior to audit or settlement by the General Accounting Office, but the right is hereby reserved to the United States Government to

deduct the amount of any overpayment to any such carrier from any amount subsequently found to be due such carrier.

This section, as a practical matter, principally goes to the case of the railroads. The air carriers of the United States are in exactly the same position as are common carriers subject to the Interstate Commerce Act. Air carriers constantly carry mail under strict supervision. In event of any overpayment to air carriers, it could be corrected by deductions, the same as in its application to rail or water carriers. I believe we do not, in this bill, desire to direct an unfair act or commit an injustice to the air carriers of this country, a rapidly developing and an increasingly important industry of the Nation. I have reason to feel that the chairman of the committee will see to it that there is an agreement on this amendment.

Mr. LEA. If the gentleman will yield, I may say that we have no objection to the amendment. It places the carriage of mail by airplanes on a parity with other forms of transportation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia [Mr. RANDOLPH]. The amendment was agreed to.

Mr. LEAVY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEAVY: On page 300, line 9, after the comma, insert the following: "a conveyance to the United States of such of the granted lands as have not been sold to an innocent purchaser for value and are not needed nor used in the actual operation of the said railroad but which continue in the ownership of said railroad or of a corporation owned by said railroad; and a relinquishment of pending and unperfected filing, listing of selection made under the provisions of said land grant; and."

Page 300, line 17, delete the last word and all of the remainder of the language of the section; lines 18 to 24, page 300; lines 1 to 4, page 301. In lieu of the language thus deleted, substitute the following: "All lands reconveyed or relinquished under the provisions of the section which are within the boundaries of a national park, national forest, wildlife refuge, or other Federal reservation shall thereafter be administered as parts of said reservations and subject to all laws applicable thereto."

Mr. LEAVY. Mr. Chairman, this amendment still permits section 321 to remain, but modifies it to this extent, and this extent only, and the modification is based upon the argument of equity that has here been made. It requires those railroads that now either hold in fact or have a claim to land grants to return those grants to the Government, and in consideration of such a return they may charge the regular tariffs. If you propose to base this upon equity, what could be more equitable than to say to one of the contracting parties who seeks to step out from under contract obligations, "You have at least a portion of the fruits of your contract in your possession. Now, return those and we will place you in the same position your competitors are."

This amendment specifically provides that all conveyances made in good faith to holders of any of the land grants anywhere shall be recognized and confirmed. Then it provides that such lands as are returned that are now located on game refuges or in our great national parks and in our national forests shall be a part of such refuge, such park, or such forest, as the case may be, and shall be administered by the appropriate governmental agency.

For the life of me, Mr. Chairman, I cannot see how anyone can deny that this is a fair proposition and that it should be done.

If we accept the argument made, I think, by the gentleman from South Dakota [Mr. CASE], that it is unfair to the non-land-grant railroads to have to compete with a land-grant railroad because of tonnage that it gets from the Government, then it would be even more unfair to take a land-grant railroad and permit it to hold millions and millions of dollars' worth of property in no way involved in transportation and at the same time pay the same rate its less fortunate competitor gets for a like service.

I hope this amendment will prevail.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. LEAVY. I yield.

Mr. WADSWORTH. The gentleman has just stated that this property is worth millions and millions of dollars.

Mr. LEAVY. I know it is in my State and in the State of Idaho.

Mr. WADSWORTH. Do the railways, generally, enjoy any income from it?

Mr. LEAVY. They are selling thousands of dollars' worth of some of the finest virgin timber in America, both in western Oregon and in northern Idaho and in Washington.

Mr. WADSWORTH. Is that the case generally among the 13,000,000 acres?

Mr. LEAVY. Most of the 13,000,000 acres or a good portion of it, is held by the Northern Pacific Railroad Co. and they are now in litigation asking for more. If this legislation is passed they would naturally waive that claim; we would give them the same rate for service that other roads get. They can then charge 100 percent for Government service, instead of 50 percent. We permit them here to break a contract, under which they have assumed a legal and moral obligation, but we ask that the loot that they got be returned to Uncle Sam from whom they took it. [Applause.]

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. LEAVY. I yield to the gentleman from California.

Mr. VOORHIS of California. If it be true that the land is not worth much, then certainly the railroads should not complain about returning it to the Government.

Mr. LEAVY. No. But the facts are that it is worth many millions of dollars.

Mr. VOORHIS of California. On the other hand, I agree with the gentleman that in many cases some of this land is very valuable for the reason it has coal and other minerals.

Mr. LEAVY. Some of the railroads actually built miles and miles of additional trackage in order to get a greater amount of grant lands, and then did not make selection from contiguous lands, but took lieu lands miles away that were very valuable.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. LEAVY. I yield to the gentleman.

Mr. MURDOCK of Arizona. Is this an optional matter with the railroads that they may return what is unsold? Does it mean that if the railroads give up their claims, then they may charge 100 percent freight?

Mr. LEAVY. It does. It means exactly that, and if they do not give them up they will have to live up to their contractual obligations. [Applause.]

[Here the gavel fell.]

Mr. LEA. Mr. Chairman, I ask unanimous consent that all debate on this amendment and on the section close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SOUTH. Mr. Chairman, I rise in support of the pending amendment. Whatever may be said, either for or against the railroads, I think it would seldom be urged that they have not been pretty good traders.

The railroads of this country entered into a valid and binding contract with the United States Government to haul its property, as the matter now stands, at 50 percent of the regular rate. This committee has seen fit to repeal, largely, that entire provision of this bill, and now we are asking you in this amendment to require the railroads to return to the Government the 12,000,000 or more acres now held, out of a total of 132,425,574 acres. The distinguished chairman and other members of this committee have intimated that this land has but little value. If that be true, which I do not concede, I do not see why they would mind giving it up. As a matter of fact, officials of this Government have testified that this land is very valuable, that some of it contains valuable minerals, that much of it is fine forest lands, and much of it is valuable for grazing

purposes. If it is not worth much, the least the railroads could do would be to come in here and say, "We are welshing on a contract," and that is what they are doing. "We are welshing on a valid contract we made with the Government of the United States, but we are willing to hand back what little we now have left." Can you go home and explain to your people why you not only voted to have the Government pay them full charges, when they agreed to haul for half, and why you did not require them to return that part of the contract price which they now have in their possession? I could not do it, and I do not propose to try it.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. SOUTH. Yes; if I have any time left.

Mr. MOTT. I supported the Poage amendment, as did the gentleman, but since that amendment failed of adoption, the amendment of the gentleman from Washington now is better than nothing at all.

Mr. SOUTH. Yes; that is my position.

Mr. MOTT. So it would be logical to vote for his amendment.

Mr. SOUTH. That is my position, exactly. It is better than getting nothing.

[Here the gavel fell.]

Mr. CASE of South Dakota. Mr. Chairman, I am interested in knowing what the effect of this amendment would be when thought of in connection with the first part of the paragraph. The first part of the paragraph reads:

If any carrier by railroad furnishing such transportation, or predecessor in interest, shall have received a grant of lands from the United States to aid in the construction of any part of the railroad operated by it, the provisions of law with respect to compensation for such transportation shall continue to apply to such transportation as though subsection (a) of this section had not been enacted until such carrier shall file with the Secretary of the Interior, etc.

The gentleman's amendment, as I heard it, places its conditional limitation at that point. So, it would apparently mean that those previous rates of transportation would apply until the carrier had relinquished these lands. Is that the effect of the gentleman's amendment?

Mr. LEAVY. I think that is a proper interpretation.

Mr. CASE of South Dakota. What would that do if a railroad in the fortunate situation the gentleman describes some railroads to be possessed lands of great value and should determine that it preferred to hold the lands rather than accept the full rate? What would be the effect then on the situation with which I am concerned?

Mr. LEAVY. Such a railroad, of course, would hold the fruits of its contract with the Government and accept the Government rate on the 50-percent rate.

Mr. CASE of South Dakota. And continue to take it out of the very weak nongrant railroads by getting traffic that would normally go to them. Those railroads are in a very strong position, if they have these very valuable lands, and I am not worrying about them, but the thing that concerns me is the nongrant roads and getting for them, who built only on their faith in the country, their normal traffic.

It is a vital problem in my State, because 97 percent of our railroad mileage is operated under some form of receivership today and yet those railroads are the main cash taxpayers we have. They are the taxpayers today who are keeping the schools going. In many counties the farmers are not able to pay their taxes, nor are the small-business men. School district after school district is utterly dependent upon the railroads as the sole cash taxpayer of size, and I am concerned with trying in some way to put those railroads in a position so that they can maintain the contribution they are making and at the same time help develop business and industry.

We have situations where some town or school district will get together a little money to sponsor a P. W. A. project or a W. P. A. project, and then find that bidders in the State are underbid by out-of-State bidders who ship almost to the State line over a land-grant railroad, and, free from our 3-percent sales tax, take from the local businesses what little public business they ever get a chance to see.

Let me give you an actual recent case. A small lumber mill, operating on a national forest, buying all of its stumpage from the Government, paying to the Government three times the stumpage fees on the west coast, bid on a little material for a P. W. A. project in Nebraska. On the face of the bids opened he seemed low bidder. But an Oregon mill got the contract. Shipping from private timberlands or paying a low stumpage rate, and shipping over a land-grant railroad, it could actually send its products seven times the distance and underbid.

Today most of the heavy-materials business is public buying. Everybody knows that. There is little private construction. And W. P. A. and P. W. A. materials, bought even with local sponsor's funds, are bought by the Procurement Division of the United States Government, giving industries on land-grant lines and the roads themselves an unequal, discriminatory, and destructive advantage over railroads that, in the first place, never had the benefits of land-grant subsidies.

I am not saying that the railroads are angels. I am not so hot about some of their practices, past and present, but the aim of any new railroad legislation should be to abolish discrimination and unfair advantage; and these roads, now down at the heels, deserve a fair chance at this public business, and the industries and businesses struggling to carry on deserve a fair chance in bidding on Government business. I am not trying to give the strong roads both lands and full rates, but I do not want to see these roads that never had lands shut out of all public business. That is the situation I am concerned with, and if the gentleman's amendment would close the door or postpone opening it to these weak railroads, I am opposed to the amendment.

Mr. TERRY. Mr. Chairman, in retaining the section in the bill, by the adverse action of the Committee on the amendment of the gentleman from Texas [Mr. POAGE] a while ago, we have done what the railroads wished to have done, and that is to repeal that provision which requires them to carry Government property at 50 percent of commercial rates. I feel that the Congress having taken this generous action, and having given up what the hearings show amounts to a consideration of from seven to ten million dollars a year, savings that the Government made by reason of the 50-percent reduction in rates, the railroads should in turn be fair to the Government. The gentleman from New York [Mr. WADSWORTH] a while ago quoted Mr. Eastman on this question as being in favor of the repeal of this section. On page 62 of the hearings on bills S. 1915 and S. 1590, which were bills to repeal this section, on the question of whether or not the railroads should give up the land-grant lands which they now have, and for which they have no outstanding contracts of sale, Mr. Eastman expressed the opinion that it would be a fair thing for the railroads to do. In a memorandum by Mr. Kneipp of the Forest Service on March 29, 1939, he states:

On March 28, during the period 2 to 2:30 p. m., Mr. Rothery and I discussed with Mr. Joseph E. Eastman and Dr. C. S. Morgan, of the Interstate Commerce Commission, the proposed legislation to relieve land-grant railroads from the necessity for transporting Government freight and personnel at half rate, and the merit and equity of the proposition by the Forest Service that if such relief were granted the railroads, the railroads should convey to the United States the parts of the land grants still in their ownership and not needed for the operation of the railroads.

As to the Forest Service proposal, Mr. Eastman expressed the opinion that it was equitable and logical. He remarked that he had discussed it with certain prominent railroad officials at a recent banquet and that said officials did not demur to the idea at that time. He further stated that he might be quoted to Representative LEA or Senator WHEELER or any other party in direct interest as having the belief that the proposal was an equitable one.

So I say to you members of the Committee that the proposal that the railroads turn back to the Government the land which they have now in their possession is perfectly fair and proper. They have in their possession about 12,000,000 acres of land of the 132,000,000 which they acquired from the Government by land grant, over 4,000,000 acres of which are within the national forests.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Texas [Mr. POAGE] is recognized.

Mr. POAGE. Mr. Chairman, it seems rather a vain thing to come back before this apathetic gathering this afternoon pleading that you do not become parties to a repetition of one of the most scandalous pages in the history of America. I know that the reason we are passing this sort of stuff this afternoon is simply due to the apathy of the membership. I know that if the membership of this House realized that you were giving away all that America has left of about one-tenth of her land area, you would rise up and smite this sort of thing. I know that this House is not made up of men and women who want to repeat the Teapot Dome scandal. I know that this House is not made up of men who want to repeat the Georgia land scandals, but I know, and you know when you stop to think of it, that when you go home next summer you will find somebody who is ready and willing to explain that the reason the House slept through the debate on this important subject was that there were some railroad lobbyists up in the gallery. The intimation is going to be bandied around that somebody "got to somebody." Now, I know that is not true, and you know that it is not true. I know that it is simply because you do not know what you are voting on, but the people back home are not going to be so charitable with you. They are always ready to believe some of the things suggested about the membership which you know are not true. If you want to go home and try to explain why you gave away one-tenth of America, you have an opportunity right here and now. You cannot go home and say you did it in order to bail out some bankrupt railroads from an emergency. You cannot go home and say that you did it in order to save the railroads from immediate collapse, because the very proponents of this proposal have told you it does not involve more than \$7,000,000 to \$10,000,000 a year. You cannot save a \$25,000,000 railroad structure on \$10,000,000 a year, but you can cost your Government hundreds of millions of dollars over the time over which these contracts are supposed to run.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. SOUTH. Is it not a fact that the total amount which the railroads have received or have saved would be about 4 percent on the value, and that the entire saving to the Government has only amounted to \$150,000,000, or one-third of the value of the land?

Mr. POAGE. That is about right. In other words, the railroads have already received at least three or four times as much in the way of interest as the total savings to the Government in the reduced freight rates. At the present time the value of the land now left in the hands of the railroads is probably nearly as great as the value of all of the lands at the time of the grants and has been estimated at at least \$400,000,000. Interest on that at 4 percent runs about \$16,000,000 a year, yet the saving to the Government is less than \$10,000,000 a year. In other words, the railroads now are getting from the loot that they still have in their hands at least 50 percent more than the Government is being saved by the existing contract. Why should we accord the railroads any different treatment than we accord anybody else? The whole argument that has been proposed is that the Government made a good trade with the railroads, and that the railroads were going to lose something. Now, this amendment only seeks to apply equity to this thing. If you catch a thief with part of the stolen property, you are at least going to get back the part of your property he still has before you buy him a meal. Let the United States Government take back that part of the public lands that is still in the hands of the railroads, who are to receive the benefits of this section.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. LEAVY].

The question was taken; and on a division (demanded by Mr. LEAVY) there were ayes 43 and noes 76.

So the amendment was rejected.

The Clerk read as follows:

PART III—AMENDMENTS TO RECONSTRUCTION FINANCE CORPORATION ACT

SEC. 331. (a) Section 5 of the Reconstruction Finance Corporation Act, as amended, is amended by amending that portion of the third sentence, of the third paragraph, which precedes the last proviso in such sentence to read as follows: "The Corporation, with the approval of the Interstate Commerce Commission, may, to aid in the financing, reorganization, reduction, or readjustment of principal or interest charges, consolidation, maintenance, or construction thereof, purchase for itself, or for account of a railroad obligated thereon, or of a receiver or trustee of a railroad, the obligations, including equipment trust certificates, of railroads engaged in interstate commerce, whether or not such railroads are involved in receivership or reorganization proceedings, or of receivers or trustees thereof, with such maturities as the Corporation may approve notwithstanding any other provision of law, or guarantee the payment of the principal of, or interest on, such obligations, or both, including equipment trust certificates, or, when in the opinion of the Corporation funds for the particular purpose are not available on reasonable terms through private channels, make loans to such railroads or to receivers or trustees thereof with such maturities as aforesaid for the purposes aforesaid: *Provided*, That in every case of such a loan, or purchase, or guaranty of obligations, including equipment trust certificates, the Interstate Commerce Commission and the Corporation shall, in connection with the approval or authorization thereof, find that the prospective earning power of such railroad, together with the character and value of the security offered, furnish, in the opinion of the Interstate Commerce Commission and the Corporation, respectively, reasonable protection to the Corporation."

(b) Such section 5, as amended, is further amended by adding at the end of the third paragraph thereof the following sentence: "The title of any owner, whether as trustee or otherwise, to any property leased or conditionally sold to a railroad, or a receiver or trustee thereof, which the Corporation has financed, or in the financing of which the Corporation has aided, any right of such owner to take possession of such property in compliance with the provisions of any such lease or conditional sales contract, and the title of any owner of a collateral note evidencing a loan to a railroad, or a receiver or trustee thereof, from the Corporation heretofore or hereafter made by the Corporation and the right of any such owner to acquire title to the collateral securing such note, free and clear of any equity of redemption, in compliance with the contract of pledge, and thereafter to deal with the same as the absolute owner thereof, shall not be affected, restricted, or restrained by or pursuant to the provisions of the act of July 1, 1898, entitled 'An act to establish a uniform system of bankruptcy throughout the United States,' as amended, or by or pursuant to any other provision of law applicable to any proceedings thereunder."

(c) The first sentence of section 3 of the act approved January 31, 1935 (49 Stat., ch. 2, pp. 1-2), is hereby amended by striking out "January 31, 1945" and inserting in lieu thereof "January 31, 1955."

Mr. MARTIN of Massachusetts. Mr. Chairman, I ask unanimous consent to proceed out of order for 1 minute.

The CHAIRMAN. Without objection, it is so ordered. There was no objection.

Mr. MARTIN of Massachusetts. Mr. Chairman, I take this time simply to announce to the Republican membership of the House that the conference which was called for this afternoon is postponed until next Friday following the day's work.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 302, line 1, after the word "purchase", strike out "for itself", and on page 302, line 8, after the word "law", strike out "or guarantee the payment of the principal of, or interest on, such obligations" down to and including the word "certificates", in line 10, page 302.

Mr. TABER. Mr. Chairman, in my opinion if we authorize the R. F. C. to go ahead on its own motion and buy securities of railroads we shall be embarking upon Government ownership and operation of the railroads. To this I am opposed. I can see no other possible construction or desirability of having these words in the bill.

If we permit, as is done in lines 8, 9, and 10, the Reconstruction Finance Corporation to guarantee the payment of the principal or interest of the obligations of the railroads, or both, including equipment trust certificates, we are doing just the same thing. I think we should not authorize the R. F. C. to guarantee the payment of these obligations in any way.

I hope this amendment may be adopted and that this may be regarded as a bill to help the rehabilitation of the

transportation systems of our country, not one to destroy service and destroy the maintenance and equipment of the properties by Government ownership. That would be the worst dilemma we could lead this country into at this time. I hope this amendment will be adopted.

Mr. LEA. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have discussed this matter with Mr. Jones. The purpose of this provision is to permit the Reconstruction Finance Corporation to use its funds for the purpose of buying obligations of the railroad companies provided the Interstate Commerce Commission and the R. F. C. approve of the security. The particular advantage of buying securities of railroad companies would be to reduce their fixed charges and their capitalization. It is not the purpose to go out and buy securities in the ordinary way. The plan followed would probably provide that no obligations would be bought unless a sufficient quantity were offered to accomplish substantial results to the railroad company to help reduce its fixed charges or capitalization.

Mr. Jones believes that this is probably the best method available for reducing the fixed charges of the railroads. It has the advantage of quick, businesslike judgment without all the complications of bankruptcy and reorganization proceedings. If the security is approved by both the Interstate Commerce Commission and the R. F. C., the R. F. C. would take the obligations. Under the second section of the bill the securities would be salable in the open market even though the company might be in receivership.

So far as the equipment notes are concerned, they are salable property at the present time. They are available in the market today because there is security enough behind them. What we really want to do is to enable the R. F. C. to make these purchases, turn over the obligations, and not hold them. There is no purpose whatever to use this power of purchase with the idea of acquiring Government ownership.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. LEA. I yield.

Mr. TABER. What I propose to do is to strike out those words that might permit just that situation. I have stricken out the words "for itself" but I have not attempted to strike out the words "for account of a railroad obligation."

With reference to this guaranty proposition, if these securities are readily salable in the market there is absolutely no excuse for the guaranty of these securities by the R. F. C.

Mr. LEA. The gentleman means the equipment notes?

Mr. TABER. Yes.

Mr. LEA. The first suggestion the gentleman made about purchasing from the R. F. C. is the very essence of the plan that Mr. Jones believes is one of the most favorable methods available for continuing these operations. Mr. Jones assures me that in his judgment this sort of financing can be carried on without the loss of one cent to the Government in the ultimate result; and certainly it is the quickest and simplest way of aiding these carriers without an injury to the Government.

[Here the gavel fell.]

Mr. JOHNS. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Wisconsin is recognized for 5 minutes.

Mr. LEA. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. JOHNS. I yield.

Mr. LEA. Mr. Chairman, I ask unanimous consent that all debate on the remainder of the bill and all amendments thereto close in 25 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JOHNS. Mr. Chairman, I think this proviso is one of the most vicious things we could possibly write into any

bill, whether it applies to the railroads or something else. When we reach the pass in this country where we are going to have the Federal Government guarantee the obligations of corporations, I think it is about time we look for another form of government, because our form of government never contemplated that at all. I know of no reason in the world why we should guarantee the obligations of railroad companies and leave waterways out. Some of them may be in a difficult position financially; and, according to reports we have heard in the arguments, such is the case. It may be true also of trucking companies. I know of no reason why the railroads should be picked out and have their securities guaranteed any more than water-transportation companies or truck companies.

I am opposed to it in principle. We have heard a great deal here about guaranteeing some obligations of the small-business man. There has been a lot of opposition to that proposition, so much so that I think the idea has just about departed from the minds of people who originally had it in their heads.

If we are coming down to the point where we are going to establish a precedent in the House of Representatives of having the Government of the United States purchase securities or guarantee the securities of any corporation, then I say we are treading on very dangerous ground. I hope that thought will be voted down in the House. If it is not, some of us are going to hear from the people back home when we get home, and when and if we run again for a Member of the House of Representatives. And I say that we should hear from them.

Mr. KELLER. Will the gentleman yield?

Mr. JOHNS. I yield to the gentleman from Illinois.

Mr. KELLER. Have we not been guaranteeing a good many millions of dollars of bonds in the last few years?

Mr. JOHNS. Yes; but I think it is wrong. The only purpose of guaranteeing this amount is to get away from the limit of \$45,000,000,000 that exists at the present time.

Mr. KELLER. How has it worked out where we have guaranteed bonds? It has worked out well, has it not?

Mr. JOHNS. Not if the figures I read in the newspapers are correct. We have not made any money on anything we have invested in during the last few years, and have lost millions of dollars.

Mr. THORKELSON. Will the gentleman yield?

Mr. JOHNS. I yield to the gentleman from Montana.

Mr. THORKELSON. Is it not a fact that we have guaranteed already some \$13,000,000,000 of bonds?

Mr. JOHNS. I do not know the exact amount, but I understand we have guaranteed at least \$5,000,000,000 and I think that is enough. In my opinion it is more than we should have guaranteed and it is about time we quit. I do not think we should guarantee anyone's obligations. We have companies that make a specialty of guaranteeing other people's obligations, but the Reconstruction Finance Corporation is not one of those.

Mr. Chairman, I hope the amendment will be agreed to and a bill of this kind never introduced again.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

Mr. CASE of South Dakota. Mr. Chairman, I ask unanimous consent that the amendment be again reported by the Clerk.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota [Mr. CASE]?

There was no objection.

The Clerk again reported the Taber amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 49, noes 51.

So the amendment was rejected.

Mr. HARE. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HARE: Page 302, at the end of line 14, add the following: "Provided further, That loans granted to any transportation company in receivership shall first be applied to the payment of valid judgments taken against such transportation companies for personal injuries."

Mr. HARE. Mr. Chairman, I read from page 302 of this bill that when in the opinion of the Corporation funds for the particular purposes are not available on reasonable terms through private channels it may make loans to such railroads or to receivers or trustees thereof, to aid in the financing, reorganization, reduction, or readjustment of principal or interest charges, indebtedness, consolidation, maintenance or construction of road.

That is, if the Reconstruction Finance Corporation finds that a railroad or any other transportation company does not have funds available to refinance itself, then the Reconstruction Finance Corporation may make loans for the purpose of paying or reducing interest, paying or reducing principal, or for the purposes of maintaining their roadbed and for other purposes. The purpose of my amendment is this: Where loans are made to transportation companies in the hands of a receiver by the Reconstruction Finance Corporation, they shall first be required to pay outstanding judgments against them held by people who obtained such judgments on account of personal injuries.

Judgments obtained against these receivership roads may stand for 10 years, 20 years, or they may stand for 30 years, or until the statute of limitation has run. Where a person has been injured or possibly lost his life, his children or dependents may have a judgment against the transportation company for damages sustained. Now the transportation company hides behind its receivership and refuses to pay the judgment; yet the Congress of the United States is providing in this bill that such transportation company may go and borrow money from the Treasury of the United States to pay outstanding indebtedness for money borrowed years ago, but makes no provision for paying these minor children or helpless fathers for judgments obtained and unpaid, although they are just as binding as any other indebtedness. In other words, if a child has a valid judgment because of the loss of the life of its father, that claim is just as honest, and payment should be urged as much as if it had loaned the company \$100,000.

You are making provision in this bill that the Government shall furnish money to a transportation company to pay the principal or reduce the principal, pay the interest, pay its bonded indebtedness, or pay any other indebtedness, but nothing is said or done about paying these valid judgments or claims by persons who have obtained judgments for personal injuries. I insist, Mr. Chairman, that this amendment should be accepted, passed, and included in this bill.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Colorado [Mr. MARTIN].

Mr. MARTIN of Colorado. Mr. Chairman, the sweeping condemnation of this bill by the very able gentleman from North Carolina [Mr. WARREN], and a number of other Members who have appeared on the floor, reminds me of a story I used to hear Champ Clark tell about a man in Missouri who, for the sake of the general welfare of the community, had to be lynched by his neighbors. After they had lynched him they put a big placard on his breast, which read: "In some respects this was a very bad man." Then they put another placard on his back, which read: "And in others he was a damn sight worse." [Laughter.]

They say the devil is never as black as he is painted, and certainly this bill could not be.

When gentlemen assert there is not one redeeming feature in a bill on which able, conscientious, and experienced men have worked for months, the trouble may not be so much with the bill as with a certain state of mind. I am used to hearing the boys from the Pacific Northwest in action against the railroads, and they do a good job; but this is the first

time I have seen the river boys from the South let their hair down; and case-hardened though I am, it almost scared me. Teamed up, these groups have just about made the railroads public enemy No. 1.

That is not all. In this condemnation they join the Interstate Commerce Commission. Apparently, if what they say is true about the Interstate Commerce Commission, the first regulatory body in this Government, it ought to be abolished; but I wonder if the record would sustain that condemnation.

I told you yesterday about a typical case out in my State where the Colorado Fuel & Iron Co., because it could not get a reduction in rates to Houston, Tex., where it had built a warehouse in anticipation of fourth-section relief to be granted to the railroad to meet water rates from the eastern seaboard, had to close its warehouse and go several hundred miles back up into northern Texas before it could meet the cheap water rates to the port of Houston. That application was filed by the Colorado Southern Railway Co., a subsidiary of the Burlington, one of the powerful railway systems of the United States. The steel corporation is a Rockefeller property, belonging to one of the most powerful financial and industrial interests in America. Yet those two great, powerful interests, acting jointly, were turned down by the Interstate Commerce Commission in favor of a few one-horse coastwise shipping lines.

The highest praise I have heard paid the Interstate Commerce Commission since I have been on this committee is that they are criticized by every group appearing before us as being favorable to the other groups, so this indicates to my mind they strike a pretty fair average, and I give full faith to the following statement by Mr. Eastman before our committee on this bill:

The Commission believes in the equal and impartial public regulation of all important forms of transportation, and is also confident that much can be done to stabilize and improve conditions through proper use of the power to fix minimum rates and of the power to control the right to engage in new operations; but I think I reflect the opinion of the Commission when I say that there is no reason to believe that such policies will be any more beneficial to the railroads than to other types of carriers.

During my service on this committee I believe the top men in every field in the United States involved in interstate commerce in any way have appeared before us. The Interstate Commerce Commissioners are always called on. They were called on in connection with this bill, and they have been called on in connection with past measures affecting interstate commerce. There appeared before the committee each time Mr. Joseph B. Eastman and Dr. Walter M. W. Splawn. I say without hesitation that in my opinion they are the two outstanding authorities on interstate commerce and transportation in the United States, barring none; yet Members get up on the floor and talk about them as if they did not know anything about their business and could not be trusted to do anything in the public interest and berate them like pickpockets.

It reminds me of an incident in connection with a little old Dutch locomotive engineer out in my home city. His name was Fred Eusey. Fred ran a passenger train between Pueblo and Canyon City. One day when the switchman cut his engine off the train at the depot to pilot him to the round house old Fred did not obey the car signals to suit him, and he commenced jumping up and down and shouted, "I wish I was master mechanic around here for about 15 minutes." Old Fred said, "Yes, that's schust about so long you would last." [Laughter.]

If some of these critics of the Interstate Commerce Commission had to sit down across the table from Mr. Eastman and Dr. Splawn and discuss the provisions of this bill, "that's schust about so long they would last." [Laughter and applause.]

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, I rise for the last time in connection with the debate on this very important bill, and I imagine you are all glad of that.

A few moments ago the gentleman from Ohio [Mr. CROSSER] referred to a letter from a member of the Brotherhood of Railroad Trainmen. I imagine the railroad boys had to hunt a long way before they found that single member of the Brotherhood of Railroad Trainmen who would stand up and go against the mandate of the national convention of the grand lodge. The Brotherhood of Railroad Trainmen, at Cleveland at their national convention, took action, of which you have all been advised, and sent this letter which I hold in my hand to all Members of Congress. It is dated July 19, 1939, which is sufficiently recent to be reliable and authentic, I believe. The facts are that not a single local lodge of the Brotherhood of Railroad Trainmen has voted in favor of this bill. They have all opposed it from beginning to end. Of the 140,000 members of that brotherhood throughout the United States, the railroads finally found one obscure member who would write a letter which the gentleman from Ohio could bring in here and read to convince you that the Brotherhood of Railroad Trainmen were for this bill. Do not be fooled.

I have been asked why my interest in this bill. My interest is simply because I am interested in the welfare and future of the great masses of the people of this Nation. I have no ax to grind, I have no personal or financial interest in any kind of bus line or waterway, and I hold or own no stock in any transportation facility, but I have for years made a deep and continued and a sincere study of these great problems of transportation rates which confront America, and especially as they affect the Central States of America, from which I come. This deep and sincere study which I have carried on over a period of many years was one of the elements which resulted in my election to Congress, because I carried the same message to the people of my district that I have carried to you during these past few days, and my conclusions gained from such study have resulted in my decision to oppose this measure and to oppose any further turning over of control and of monopolistic power to either the railroads or the Interstate Commerce Commission.

I have in my hand a pamphlet that was issued recently by the administration of the city of Minneapolis, which recites some of the vital facts and statistics in connection with that administration during the past 2 years. On page 1 is an item which states that from September 1, 1937, to September 30, 1938, the short period of 1 year, six large industrial concerns have moved from that city, and they employed 1,475 men and women. This is only one illustration of what is happening to my city and to my section of the country, and to the section of the country from which many of the Members come who are supporting this bill. There is also an item in this booklet which reads as follows:

The month of December 1938 witnessed the highest aggregate case load in the history of the city of Minneapolis, amounting to a total well in excess of 39,500 cases on direct relief, W. P. A., and old-age assistance.

I have here also a letter from Mr. C. C. Bovey, who is one of the great leaders in the flour milling industry in Minneapolis. Under date of May 11, 1938, Mr. Bovey gives the following figures to show the decline in the production of flour at Minneapolis since 1930:

	Barrels
1930.....	10,797,194
1931.....	9,121,571
1932.....	7,227,187
1933.....	7,283,244
1934.....	7,081,830
1935.....	6,636,159
1936.....	6,378,928
1937.....	5,721,695

Or a total decline in 8 years of over 5,000,000 barrels.

The following figures indicate the great increase in the amount of flour coming into Minneapolis since 1930. You

will notice that from 1930 to 1937 the shipments of flour into Minneapolis have more than doubled.

	Barrels
1930.....	222,341
1931.....	212,625
1932.....	344,838
1933.....	312,333
1934.....	326,271
1935.....	351,072
1936.....	472,255
1937.....	482,096

Why did they ship flour into the greatest flour milling center in the world? Because of unfair freight rates which we have in my city or in my section of the country, and still you people here insist that we continue to turn over control of our rates on all transportation to an organization which has destroyed business almost completely and which wishes to continue to destroy it and drive it from the central section of the United States.

You ask why I am interested in this bill. I am interested in it because of my interest in the business and industry there and in protecting it so as to prevent further unemployment and relief. I am interested in it because of my interest in the farmers of the State and of the great Northwest area which surrounds my city and feeds it with business when the farmer has surplus money to spend. I am interested, because I am interested in democracy and in preserving it for coming generations, and because I know if this bill is passed that it will be just another step in the destruction of the Northwest and of constitutional government, for a chain is only as strong as its weakest link. And judging from the unrest, the economic stress and strain, the bloodshed and strikes, and the condition of the Public Treasury, we are forging a very weak link there which by our action here today may serve to break it the sooner. I therefore am opposed to this bill and hope it will be voted down. [Applause.]

Mr. SCHAFFER of Wisconsin. Mr. Chairman, I move to strike out the last three words.

The CHAIRMAN. Time has been fixed by a unanimous-consent agreement, but the gentleman from North Carolina did not use all of his time.

Mr. BULWINKLE. Mr. Chairman, I yield to the gentleman from Wisconsin.

Mr. SCHAFFER of Wisconsin. Mr. Chairman, our Republican colleague, the distinguished gentleman from Minnesota [Mr. ALEXANDER] has taken the floor and indicated that the employees of the railroads are opposed to this bill, because of the position taken by the president of one of the many recognized railroad labor organizations, Mr. A. F. Whitney, president of the Brotherhood of Railroad Trainmen. In view of the company which Mr. Whitney has been keeping, the opposition of Mr. Whitney to this bill should be a good argument in favor of its enactment.

It appears that many of our New Deal Democratic brethren are going to run out on the President on this bill. I shall be pleased to fill one of the vacancies in his ranks when the roll is called, as I intend to vote for it, Mr. Whitney's opposition to the contrary notwithstanding.

I have here a letter from the national labor committee of the American League for Peace and Democracy, which is a Communist-sponsored and dominated organization.

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. SCHAFFER of Wisconsin. This letter shows Mr. A. F. Whitney, president of the Brotherhood of Railroad Trainmen, is the chairman of the National Labor Committee of the Communist-created and Communist-directed American League for Peace and Democracy. Among his directors are many of the C. I. O. fellows who have been traveling with the Communist brethren, including Vice Chairman Joseph Curran, president of the National Maritime Union, in which the well-known alien Communist Harry Bridges is a big shot. Vice Chairman Jerome Davis is a member of the national committee, the membership which also includes

Albert Edwards, Jack Berey, Lewis Alan Berne, James B. Carey, Michael Coleman, Sol Fishko, Abram Flaxer, Miguel Carriga, Ben Gold, Donald Henderson, Alexander Hoffman, Roderick L. Johnson, Morris Katz, Samuel Kaufman, M. A. Lakofsky, Natale Masi, Lewis Merrill, Jacob Mirsky, Morris Muster, Harold Pritchett, Mervyn Rathborne, Reid Robinson, Isidore Sorkin, and Americo A. Tomei.

In view of the fact that Mr. Whitney—

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. SCHAFFER of Wisconsin. I regret that I cannot as I have only 2 minutes and you have been speaking most of the afternoon. [Laughter.]

Mr. Chairman, in view of the fact that Mr. Whitney is a big shot in the Communist created, directed, and controlled American League for Peace and Democracy, I think those who are interested in the welfare of the workingmen who work on the railroads, the railroads, and the general public should support and vote for this bill in compliance with the request made by the heads of all of the other great recognized railroad labor organizations.

Mr. Chairman, I hold in my hand a 72-page Communist pamphlet entitled "Why Communism?" Page 72 of this pamphlet definitely states that the Communist Party in America is tied with the Communist Party in Soviet Russia through the International. This publication, without mincing words, outlines the plan under which our American constitutional system of government is to be replaced by a Moscow form of Communist autocracy under a blood-curdling life-taking revolutionary movement. Page 56 of this pamphlet indicates that the American League Against War and Fascism was formed to take part in the Communist united-front action. Subsequently the American League Against War and Fascism changed its name to the American League for Peace and Democracy. Mr. Chairman, this manifesto and program of the American League Against War and Fascism, which now functions under the name of the American League for Peace and Democracy, contains the program adopted at Chicago, Ill., in September 1934, pledge No. 5 of which reads as follows:

To support the peace policies of the Soviet Union for total and universal disarmament, which today with the support of masses in all countries constitute the clearest and most effective opposition to war throughout the world; to oppose all attempts to weaken the Soviet Union, whether these take the form of misrepresentation and false propaganda, diplomatic maneuvering, or intervention by imperialist governments.

Mr. Chairman, I do not believe that the rank and file members of the Brotherhood of Railroad Trainmen concur in Mr. Whitney's opposition to this transportation bill. It is unbelievable that the heads of all the other great national railroad labor organizations are wrong and Mr. Whitney is right. At any rate, it can be truthfully said that a preponderant majority of the railroad workers in America are in favor of this legislation, and I shall therefore be very happy to vote for it in the interest of the welfare of the railroad employees, the railroads, and the general public, the opposition of Mr. Whitney, the chairman of the national labor committee of the American League for Peace and Democracy, to the contrary notwithstanding. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. HARE].

The question was taken and the amendment was rejected.

The CHAIRMAN. The question now recurs on the substitute amendment of the Committee to the Senate bill.

The question was taken and the amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises automatically.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JONES of Texas, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill S. 2009, and, pursuant to House Resolution 262, he reported the bill back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time, and was read the third time.

Mr. WADSWORTH. Mr. Speaker, I offer the following motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. WADSWORTH. I am.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. WADSWORTH moves to recommit the bill S. 2009 to the Committee on Interstate and Foreign Commerce.

Mr. LEA. Mr. Speaker, on that I move the previous question.

The previous question was ordered.

Mr. WARREN. Mr. Speaker, I demand the yeas and nays on the motion to recommit.

The yeas and nays were ordered.

The question was taken; and there were—yeas 99, nays 273, answered "present" 3, not voting 53, as follows:

(Roll No. 145)

YEAS—99

Alexander	Dondero	Johns	Peterson, Ga.
Allen, Pa.	Doxey	Johnson, Luther A.	Pfeiffer
Andersen, H. Carl	Dworshak	Johnson, Lyndon	Pierce, N. Y.
Andrews	Eberhart	Johnson, Okla.	Pierce, Oreg.
Angell	Ellis	Kee	Pittenger
Barden	Evans	Kennedy, Michael	Plumley
Barry	Fay	Kerr	Poage
Beckworth	Flaherty	Kirwan	Rankin
Bland	Ford, Thomas F.	Kitchens	Rogers, Okla.
Bloom	Garrett	Kleberg	Sandager
Bolles	Gathings	Leavy	Sirovich
Boykin	Gavagan	McArdle	Somers, N. Y.
Buckler, Minn.	Gehrmann	McCormack	South
Byrne, N. Y.	Geyer, Calif.	Mansfield	Sparkman
Cartwright	Gossett	Marcantonio	Starnes, Ala.
Celler	Guyer, Kans.	Mason	Sullivan
Chandler	Harrington	Mills, Ark.	Taber
Coffee, Nebr.	Hart	Moser	Thomas, Tex.
Coffee, Wash.	Havenner	Mott	Thorkeison
Colmer	Heinke	Myers	Wallgren
Culkin	Hendricks	Nichols	Warren
Cullen	Hill	O'Leary	Welch
Delaney	Hoffman	Oliver	West
Dickstein	Hull	Parsons	Whittington
Disney	Izac	Patton	

NAYS—273

Allen, Ill.	Church	Fries	Jensen
Allen, La.	Clark	Fulmer	Johnson, Ill.
Anderson, Calif.	Clason	Gamble	Johnson, Ind.
Anderson, Mo.	Claypool	Gartner	Johnson, W. Va.
Andresen, A. H.	Clevenger	Gearhart	Jones, Ohio
Arends	Cochran	Gerlach	Jones, Tex.
Arnold	Collins	Gibbs	Kean
Ashbrook	Cooper	Gifford	Keefe
Austin	Corbett	Gilchrist	Keller
Ball	Costello	Gillie	Kelly
Barnes	Courtney	Gore	Kennedy, Md.
Bates, Ky.	Cox	Graham	Kilday
Bates, Mass.	Crawford	Grant, Ala.	Kinzer
Beam	Creal	Grant, Ind.	Knutson
Bell	Crosser	Green	Kociakowski
Bender	Curtis	Gregory	Kramer
Blackney	D'Alesandro	Griffith	Kunkel
Boehne	Darden	Gross	Lambertson
Boland	Darrow	Gwynne	Landis
Bolton	Dempsey	Hall	Larrabee
Bradley, Pa.	Dirksen	Hallack	Lea
Brewster	Ditter	Hancock	LeCompte
Brooks	Doughton	Hare	Lemke
Brown, Ga.	Douglas	Harness	Lesinski
Brown, Ohio	Dowell	Harter, Ohio	Lewis, Colo.
Bryson	Drewry	Hartley	Lewis, Ohio
Buck	Duncan	Hawks	Luce
Buckley, N. Y.	Dunn	Healey	Ludlow
Bulwinkle	Durham	Hess	McAndrews
Burch	Edmiston	Hinshaw	McDowell
Burdick	Elliott	Hobbs	McGehee
Burgin	Elston	Hope	McKeough
Byrns, Tenn.	Engel	Horton	McLaughlin
Byron	Englebright	Houston	McLean
Cannon, Mo.	Faddis	Hunter	McLeod
Carlson	Fenton	Jacobsen	McMillan, John L.
Carter	Ferguson	Jarman	Maas
Case, S. Dak.	Flannagan	Jarrett	Mahon
Casey, Mass.	Folger	Jeffries	Maloney
Chapman	Ford, Leland M.	Jenkins, Ohio	Mapes
Chipperfield	Ford, Miss.	Jenks, N. H.	Marshall

Martin, Colo.	Randolph	Scrugham	Tolan
Martin, Iowa	Rayburn	Seccombe	Treadway
Martin, Mass.	Reece, Tenn.	Seger	Van Zandt
Merritt	Reed, Ill.	Shafer, Mich.	Vincent, Ky.
Miehener	Rees, Kans.	Shanley	Vinson, Ga.
Miller	Rich	Shannon	Vorys, Ohio
Mills, La.	Richards	Sheppard	Vreeland
Monkiewicz	Risk	Simpson	Walter
Monroney	Robertson	Smith, Conn.	Ward
Mouton	Robinson, Utah	Smith, Maine	Weaver
Mundt	Robison, Ky.	Smith, Ohio	Wheat
Murdock, Ariz.	Rockefeller	Smith, Va.	Whelchel
Murdock, Utah	Rodgers, Pa.	Smith, W. Va.	White, Idaho
Murray	Rogers, Mass.	Snyder	White, Ohio
Nelson	Romjue	Spence	Wigglesworth
Norrell	Routzohn	Springer	Williams, Del.
Norton	Rutherford	Steagall	Williams, Mo.
O'Brien	Ryan	Sumner, Ill.	Winter
O'Connor	Sabath	Sweeney	Wolcott
O'Day	Sacks	Talle	Wolfenden, Pa.
O'Neal	Sasser	Tarver	Wolverton, N. J.
Osmer	Satterfield	Taylor, Tenn.	Wood
Pace	Schaefer, Ill.	Tenerowicz	Woodrum, Va.
Patrick	Schafer, Wis.	Terry	Youngdahl
Pearson	Schiffler	Thill	Zimmerman
Polk	Schuetz	Thomason	
Powers	Schulte	Tibbott	
Ramspeck	Schwert	Tinkham	

ANSWERED "PRESENT"—3

Harter, N. Y. Keogh Wadsworth

NOT VOTING—53

Barton	DeRouen	McGranery	Short
Boren	Dies	McMillan, Thos. S.	Smith, Ill.
Bradley, Mich.	Dingell	Maclejewski	Smith, Wash.
Caldwell	Eaton, Calif.	Magnuson	Stearns, N. H.
Cannon, Fla.	Eaton, N. J.	Martin, Ill.	Stefan
Cluett	Fernandez	Massingale	Summers, Tex.
Cole, Md.	Fish	May	Sutphin
Cole, N. Y.	Fitzpatrick	Mitchell	Taylor, Colo.
Connery	Flannery	O'Toole	Thomas, N. J.
Cooley	Hennings	Patman	Voorhis, Calif.
Crowe	Holmes	Peterson, Fla.	Woodruff, Mich.
Crowther	Hook	Rabaut	
Cummings	Kennedy, Martin	Reed, N. Y.	
Curley	Lanham	Secrest	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Reed of New York (for) with Mr. Eaton of New Jersey (against).

Mr. Wadsworth (for) with Mr. Cole of New York (against).

Mr. Keogh (for) with Mr. Martin J. Kennedy (against).

Mr. Harter of New York (for) with Mr. Bradley of Michigan (against).

Mr. Cluett (for) with Mr. Thomas S. McMillan (against).

Mr. Stefan (for) with Mr. Woodruff of Michigan (against).

Mr. Fitzpatrick (for) with Mr. Cooley (against).

Mr. O'Toole (for) with Mr. Cole of Maryland (against).

Mr. Curley (for) with Mr. Martin of Illinois (against).

Mr. Cannon of Florida (for) with Mr. Maciejewski (against).

General pairs:

Mr. Lanham with Mr. Short.

Mr. McGranery with Mr. Fish.

Mr. Rabaut with Mr. Holmes.

Mr. Caldwell with Mr. Stearns of New Hampshire.

Mr. Dingell with Mr. Barton.

Mr. DeRouen with Mr. Thomas of New Jersey.

Mr. May with Mr. Crowther.

Mr. Hook with Mr. Eaton of California.

Mr. Voorhis of California with Mr. Sutphin.

Mr. Mitchell with Mr. Hennings.

Mr. Flannery with Mr. Magnuson.

Mr. Smith of Illinois with Mr. Cummings.

Mr. Secrest with Mr. Connery.

Mr. Dies with Mr. Boren.

Mr. Massingale with Mr. Crowe.

Mr. Summers of Texas with Mr. Fernandez.

Mr. Taylor of Colorado with Mr. Smith of Washington.

Mr. WADSWORTH. Mr. Speaker, on this question I have a pair with the gentleman from New York, Mr. COLE. Were he present he would have voted "no." Under the circumstances I withdraw my vote of "yea" and ask to be recorded "present."

Mr. KEOGH. Mr. Speaker, I was paired with the gentleman from New York, Mr. MARTIN J. KENNEDY, who is absent because of official business. If he were present he would have voted "no." I voted "yea." I therefore ask to be recorded "present."

Mr. HARTER of New York. Mr. Speaker, I have a pair with the gentleman from Michigan, Mr. BRADLEY. If he were present he would have voted "no." I withdraw my vote of "yea" and answer "present."

Mr. HORTON changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded. The SPEAKER. The question is on the passage of the bill.

The bill was passed.

The title was amended so as to read:

An act to amend the act to regulate commerce, approved February 4, 1887, as amended, so as to provide for unified regulation of carriers by railroad, motor vehicle, and water, and for other purposes.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. St. Claire, one of its clerks, announced that the Senate insists upon its amendment to the bill (H. R. 4998) entitled "An act to amend the Packers and Stockyards Act, 1921," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BULOW, Mr. GILLETTE, and Mr. CAPPER to be the conferees on the part of the Senate.

The message also announced that the Vice President had appointed Mr. BARKLEY and Mr. GIBSON members of the Joint Select Committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of executive papers in the following agencies:

1. Farm Credit Administration.
2. Federal Trade Commission.
3. The Panama Canal.
4. United States Civil Service Commission.
5. Works Progress Administration.

PENSIONS TO MEMBERS OF REGULAR ARMY, NAVY, MARINE CORPS, AND COAST GUARD DISABLED BY REASON OF SERVICE

Mr. LESINSKI. Mr. Speaker, I call up for present consideration the bill (S. 522) to provide pensions to members of the Regular Army, Navy, Marine Corps, and Coast Guard who become disabled by reason of their service therein, equivalent to 75 percent of the compensation payable to war veterans for similar service-connected disabilities, and for other purposes.

The SPEAKER. This bill is on the Union Calendar.

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent that the same be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That effective on the 1st day of the month following the month in which this act is enacted, paragraph II of part II of Veterans Regulations No. 1 (a), as amended, is amended to read as follows:

"II. For the purposes of part II, paragraph I (a) hereof, if the disability results from injury or disease—

"(a) If and while the disability is rated 10 percent the monthly pension shall be \$7.50.

"(b) If and while the disability is rated 20 percent the monthly pension shall be \$15.

"(c) If and while the disability is rated 30 percent the monthly pension shall be \$22.50.

"(d) If and while the disability is rated 40 percent the monthly pension shall be \$30.

"(e) If and while the disability is rated 50 percent the monthly pension shall be \$37.50.

"(f) If and while the disability is rated 60 percent the monthly pension shall be \$45.

"(g) If and while the disability is rated 70 percent the monthly pension shall be \$52.50.

"(h) If and while the disability is rated 80 percent the monthly pension shall be \$60.

"(i) If and while the disability is rated 90 percent the monthly pension shall be \$67.50.

"(j) If and while the disability is rated as total the monthly pension shall be \$75.

"(k) If the disabled person, as the result of service-incurred disability, has suffered the anatomical loss or the loss of the use of only one foot, or one hand, or one eye, the rate of pension provided in part II, paragraph II, (a) to (j), shall be increased by \$18.75 per month.

"(l) If the disabled person, as the result of service-incurred disability, has suffered the anatomical loss or loss of use of both hands, or of both feet, or of one hand and one foot, or is so helpless as to be in need of regular aid and attendance, the monthly pension shall be \$112.50.

"(m) If the disabled person, as the result of service-incurred disability, has suffered the anatomical loss or loss of use of both hands and one foot, or of both feet and one hand, or if the disabled person, as the result of service-incurred disability, is blind in both eyes, having only light perception, the monthly pension shall be \$131.25.

"(n) If the disabled person, as the result of service-incurred disability, is blind in both eyes, having only light perception, and has suffered the anatomical loss or loss of use of one hand or of one foot, the monthly pension shall be \$150.

"(o) If the disabled person, as the result of service-incurred disability, has suffered the anatomical loss or loss of use as provided in subparagraphs (l) to (n), inclusive, of part II, paragraph II, of this regulation, and/or blindness in both eyes, having only light perception, which conditions under subparagraphs (l) to (n), inclusive, entitled him to two or more of the rates provided in those subparagraphs, no specified condition being considered twice in the determination, the monthly pension shall be \$187.50."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXPLANATION

Mr. BULWINKLE. Mr. Speaker, my colleague the gentleman from North Carolina [Mr. COOLEY] is absent. Had he been present he would have voted "no" on the motion to recommit and "aye" on the passage of the bill.

EXTENSION OF REMARKS

Mr. ROBSION of Kentucky. Mr. Speaker, I ask unanimous consent to extend my remarks briefly on the bill just passed at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ROBSION of Kentucky. Mr. Speaker, I am glad to have an opportunity to give my support to Senate bill 522, which heretofore has passed the Senate and which has been recommended to the House by the Invalid Pensions Committee of the House.

There are several hundred of these veterans of the Regular Establishment living in my district who incurred their disabilities in line of duty, and there are many thousands of these throughout the Nation. These disabled Regulars are trying to get by on the inadequate pensions they are receiving under the present law, and there are scores of thousands of dependents of line-of-duty deceased Regulars who are receiving inadequate compensation for the loss of their husband, father, or son. I have taken many of the claims of these disabled veterans from my district before the Veterans' Administration to try to secure some increase, but have been unable to secure for them an increase because of the provisions of the present law. It is the duty of Congress to amend the law so that we may give more adequate pensions to these veterans who have sacrificed their limbs or their health for the Nation.

Congress has not given the consideration to the personnel of the Army, Navy, Marine Corps, and Coast Guard that they deserve. We should let those who are serving in these four branches of the service know that if they are disabled in line of duty they will receive adequate compensation.

I am sure there is no Member of the House who will raise his voice against the passage of this bill. The rates are still less than they ought to be. The President should not hesitate to affix his name to this bill and grant relief to these needy disabled line-of-duty veterans and to their dependents.

It has been my pleasure to interest myself ever since coming to Congress in helping these veterans and their dependents as well as the other veterans and their dependents to get more adequate compensation; and therefore it affords me great pleasure, as I am sure it does every Member of the House, to support this deserving bill.

Under this bill the disabled Regulars in line of duty will receive pensions, as follows:

If and while the disability is rated 10 percent, the monthly pension shall be \$7.50; 20 percent, \$15; 30 percent, \$22.50;

40 percent, \$30; 50 percent, \$37.50; 60 percent, \$45; 70 percent, \$52.50; 80 percent, \$60; 90 percent, \$67.50; total, \$75. If the disabled person, as the result of service-incurred disability, has suffered the anatomical loss or the loss of the use of only one foot or one hand or one eye, the rate of pension shall be increased by \$18.75 per month. If the disabled person, as the result of service-incurred disability, has suffered the anatomical loss or loss of use of both hands or of both feet or of one and one foot, or is so helpless as to be in need of regular aid and attendance, the monthly pension shall be \$112.50.

If the disabled person, as the result of service-incurred disability, has suffered the anatomical loss or loss of use of both hands and one foot or of both feet and one hand or if the disabled person, as the result of service-incurred disability, is blind in both eyes, having only light perception, the monthly pension shall be \$131.25.

If the disabled person, as the result of service-incurred disability, is blind in both eyes, having only light perception, and has suffered the anatomical loss or loss of use of one hand or of one foot, the monthly pension shall be \$150.

If the disabled person, as the result of service-incurred disability, has suffered the anatomical loss or loss of use and/or blindness in both eyes, having only light perception, entitling him to two or more rates, the monthly pension shall be \$187.50.

EXTENSION OF REMARKS

Mr. HARE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the bill just passed.

The SPEAKER. Without objection, it is so ordered. There was no objection.

EXPLANATION

Mr. WHITE of Idaho. Mr. Speaker, understanding that there would be a roll call on the passage of the bill, I voted "no" on the motion to recommit. Had there been a roll call on the passage of the bill I would have voted "no."

EXTENSION OF REMARKS

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent that the extension of remarks granted the gentleman from Missouri [Mr. SHORT] on Monday, which were a little too long under the rule, be allowed at this time. The gentleman from Missouri is out of the city temporarily.

The SPEAKER. Without objection, it is so ordered. There was no objection.

Mr. THILL. Mr. Speaker, I ask unanimous consent to extend my own remarks and include an editorial from the Buffalo Evening News.

The SPEAKER. Is there objection?
There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include an editorial on the work of the C. C. C. in combatting a very destructive forest fire.

The SPEAKER. Without objection, it is so ordered. There was no objection.

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a brief editorial.

The SPEAKER. Is there objection?
There was no objection.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made previously this afternoon.

The SPEAKER. Without objection, it is so ordered. There was no objection.

Mr. McARDLE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered. There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include a short address by Albert Atocknie, a full-blooded

Comanche Indian, before the Committee on Indian Affairs a day or two ago in support of House Joint Resolution 290.

The SPEAKER. Is there objection?

There was no objection.

ORDER OF BUSINESS

Mr. MARTIN of Massachusetts. Mr. Speaker, may I ask the majority leader what the program will be for tomorrow?

Mr. RAYBURN. The first matter will be a conference report presented by the gentleman from Idaho [Mr. WHITE]. Next, as I understand it, although I do not know whether the gentleman from Tennessee has spoken to the Speaker or not, will be a conference report on the so-called railroad-reorganization bill, which I understand is a unanimous report. Then the rule for the consideration of the so-called rubber-cotton barter; and after that we will go along on the rule that was adopted recently on the Smith bill providing for the registration of aliens.

EXTENSION OF REMARKS

Mr. CHANDLER, Mr. HOFFMAN, and Mr. JOHN L. McMILLAN asked and were given permission to revise and extend their own remarks.

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein proceedings at the first broadcast by the radio correspondents.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. CROWTHER (at the request of Mr. MARTIN of Massachusetts) for an indefinite period, on account of illness.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 5144. An act to authorize the board of directors of the Columbia Institution for the Deaf to dedicate a portion of Mount Olivet Road NE., and to exchange certain lands with the Secretary of the Interior, to dispose of other lands, and for other purposes; and

H. R. 6076. An act to provide for the registry of pursers and surgeons as staff officers on vessels of the United States, and for other purposes.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 26 minutes p. m.) the House adjourned until tomorrow, Thursday, July 27, 1939, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1046. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment, Architect of the Capitol, for the fiscal year 1940, in the amount of \$3,000 (H. Doc. No. 450); to the Committee on Appropriations and ordered to be printed.

1047. A communication from the President of the United States, transmitting draft of a proposed provision pertaining to appropriations of the Public Works Administration of the Federal Works Agency (H. Doc. No. 451); to the Committee on Appropriations and ordered to be printed.

1048. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the legislative establishment, House of Representatives, for the fiscal year 1940, in the amount of \$534,328 (H. Doc. No. 452); to the Committee on Appropriations and ordered to be printed.

1049. A communication from the President of the United States, transmitting proposed provision pertaining to existing appropriations for the Department of Justice, for the fiscal years 1938, 1939, and 1940 (H. Doc. No. 453); to the Committee on Appropriations and ordered to be printed.

1050. A letter from the Chairman, Reconstruction Finance Corporation, transmitting a summary of Reconstruction Finance Corporation operations since its organization, February 2, 1932, to July 15, 1939; to the Committee on Banking and Currency.

1051. A letter from the Archivist of the United States, transmitting lists of papers consisting of six items from the United States Civil Service Commission which are to be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

1052. A letter from the Acting Chairman, Foreign-Trade Zones Board, transmitting the 1937 Annual Report of the City of New York concerning the operation of foreign-trade zone No. 1, at Stapleton, Staten Island; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DUNN: Committee on the Census. S. 2240. An act to provide for a national census of housing; with amendments (Rept. No. 1319). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHANDLER: Committee of conference. H. R. 5407. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory and supplementary thereto (Rept. No. 1320). Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. WALTER: Committee on the Judiciary. H. R. 7079. A bill to provide for the appointment of additional district and circuit judges; with amendments (Rept. No. 1321). Referred to the Committee of the Whole House on the state of the Union.

Mr. HARTER of Ohio: Committee on Military Affairs. H. R. 7267. A bill to facilitate the procurement of aircraft for the national defense; with amendments (Rept. No. 1322). Referred to the Committee of the Whole House on the state of the Union.

Mr. WALTER: Committee on the Judiciary. S. 1282. An act to extend the privilege of retirement for disability to judges appointed to hold office during good behavior; without amendment (Rept. No. 1323). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 6664. A bill to admit the American-owned barges *Prari* and *Palpa* to American registry and to permit their use in coastwise trade; with amendments (Rept. No. 1324). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 7288. A bill to perfect the consolidation of the Lighthouse Service with the Coast Guard by authorizing the commissioning, appointment, and enlistment in the Coast Guard, of certain officers and employees of the Lighthouse Service, and for other purposes; with amendments (Rept. No. 1325). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. House Joint Resolution 302. Joint resolution to authorize compacts or agreements between or among the States bordering on the Atlantic Ocean with respect to fishing in the territorial waters and bays and inlets of the Atlantic Ocean on which such States border, and for other purposes; with an amendment (Rept. No. 1326). Referred to the Committee of the Whole House on the state of the Union.

Mr. DARDEN: Committee on Naval Affairs. H. R. 2406. A bill to provide for the adjustment of the status of planners and estimators and progressmen of the field service of the Navy Department; with amendments (Rept. No. 1327). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 6881. A bill to implement the provisions of the Shipowners' Liability (sick and injured seamen) Convention, 1936; with amendments (Rept. No. 1328). Referred to the Committee of the Whole House on the state of the Union.

Mr. CROWE: Committee on Public Building and Grounds. H. R. 7293. A bill to amend section 355 of the Revised Statutes, as amended, to make permissive the acquisition of legislative jurisdiction over land or interests in land acquired by the United States; with an amendment (Rept. No. 1329). Referred to the Committee of the Whole House on the state of the Union.

Mr. SCHAFER of Wisconsin: Committee on Indian Affairs. H. R. 5684. A bill amending the act of Congress of June 25, 1938 (C. 710, 52 Stat. 1207), authorizing the Secretary of the Interior to pay salaries and expenses of the chairman, secretary, and interpreter of the Klamath General Council, members of the Klamath Business Committee and other committees appointed by said Klamath General Council, and official delegates of the Klamath Tribe; with an amendment (Rept. No. 1330). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. Senate Joint Resolution 176. Joint resolution providing for participation by the United States in the celebration to be held at Fort McHenry on September 14, 1939, in celebration of the one hundred and twenty-fifth anniversary of the writing of the Star-Spangled Banner; with amendments (Rept. No. 1331). hundred and twenty-fifth anniversary of the writing of The state of the Union.

Mrs. NORTON: Committee on Labor. House Joint Resolution 265. Joint resolution authorizing the Bureau of Labor Statistics to make studies of productivity and labor costs in industry; with amendments (Rept. No. 1332). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WOOD: Committee on War Claims. H. R. 7338. A bill for the relief of sundry claimants, and for other purposes; with an amendment (Rept. No. 1318). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COLE of Maryland:

H. R. 7372. A bill to promote the conservation of petroleum; to provide for cooperation with the States in preventing the waste of petroleum; to create an Office of Petroleum Conservation; to amend the act of February 22, 1935, as amended; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CANNON of Missouri:

H. R. 7373 (by request). A bill to amend section 12 of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. FADDIS:

H. R. 7374. A bill to promote the efficiency of the national defense; to the Committee on Military Affairs.

By Mr. FERGUSON:

H. R. 7375. A bill to amend the Packers and Stockyards Act, 1921, as amended; to the Committee on Agriculture.

H. R. 7376. A bill to provide for the appointment of an additional district judge for the western district of Oklahoma; to the Committee on the Judiciary.

By Mr. McLEOD:

H. R. 7377. A bill to authorize the Postmaster General to pay premiums on bonds of postal employees; to the Committee on the Post Office and Post Roads.

By Mr. BARRY:

H. R. 7378. A bill to allow the Home Owners' Loan Corporation to extend the period of amortization of home loans from 15 to 25 years; to the Committee on Banking and Currency.

By Mr. GORE:

H. R. 7379. A bill to provide for the registration of aliens; to the Committee on Immigration and Naturalization.

By Mr. MAPES:

H. R. 7380. A bill to amend Public Resolution No. 24, Seventy-sixth Congress; to the Committee on Appropriations.

By Mr. CULKIN:

H. R. 7381. A bill to authorize the construction of works for navigation at Oswego Harbor in the State of New York; to the Committee on Rivers and Harbors.

By Mr. PETERSON of Florida:

H. R. 7382. A bill to provide for the payment of indemnity for losses suffered and damages sustained as a result of the campaign for the eradication of the Mediterranean fruitfly in the State of Florida; to the Committee on Claims.

By Mr. SHEPPARD:

H. R. 7383 (by request). A bill to provide for the classification, according to type, of the fingerprints of all veterans, and for other purposes; to the Committee on Military Affairs.

By Mr. BYRNE of New York:

H. J. Res. 374 (by request). Joint resolution authorizing the President of the United States of America to proclaim April 19 of each year as National Youth Citizenship Day; to the Committee on the Judiciary.

By Mr. BLOOM:

H. Res. 275. Resolution for investigation of the extent to which the United States is dependent upon foreign nations for its supply of tin; to the Committee on Rules.

By Mr. DISNEY:

H. Res. 276. Resolution for the printing of laws and treaties relating to Indian affairs; to the Committee on Printing.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial, of the Legislature of the State of Wisconsin, memorializing the President and the Congress of the United States to consider their Joint Resolution No. 112, A, concerning public lands; to the Committee on the Public Lands.

Also, memorial, of the Legislature of the State of Wisconsin, memorializing the President and the Congress of the United States to consider their Joint Resolution No. 96, A, concerning the General Welfare Act; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to consider their Assembly Joint Resolutions Nos. 8, 21, 22, 23, 24, 25, 32, 38, and 49; also House Resolutions Nos. 156 and 212; also Assembly Joint Resolutions Nos. 1 and 13; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DISNEY:

H. R. 7384. A bill providing for admission to the United States and naturalization of Sarah Holmes Beeman; to the Committee on Immigration and Naturalization.

By Mr. FAY:

H. R. 7385. A bill for the relief of Emil Chalupa; to the Committee on Naval Affairs.

H. R. 7386. A bill to authorize the posthumous appointment of the late Arthur Mortimer Fields, Jr., to be an ensign of the United States Navy; to the Committee on Naval Affairs.

By Mr. GATHINGS:

H. R. 7387. A bill for the relief of the Southeast Arkansas Telephone & Power Co.; to the Committee on Claims.

By Mr. JOHNSON of Indiana:

H. R. 7388. A bill granting an increase of pension to John M. Williams; to the Committee on Invalid Pensions.

By Mr. MICHAEL J. KENNEDY:

H. R. 7389. A bill to provide for the presentation of a medal to Rev. Francis X. Quinn in recognition of his valor in saving the lives of two of his fellow citizens; to the Committee on Coinage, Weights, and Measures.

By Mr. MYERS:

H. R. 7390. A bill to correct the naval record of Thomas Burke; to the Committee on Naval Affairs.

By Mr. OSMERS:

H. R. 7391. A bill for the relief of Harold G. St. Clair; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5030. By Mr. HARTER of New York: Petition of something over 200 citizens of the county of Erie, N. Y., protesting against the lay-off of people who have been on the Nursery School Works Progress Administration project for 18 months or more; to the Committee on Appropriations.

5031. By Mr. MICHAEL J. KENNEDY: Petition of the Michigan Federation of Post Office Clerks, requesting that the Congress appoint a joint congressional commission, for the purpose of investigation of conditions surrounding the employment of substitute post-office employees and also legislation to improve conditions of employment for clerks in third-class post offices; to the Committee on the Post Office and Post Roads.

5032. Also, petition of the Dravo Corporation, Pittsburgh, Pa., opposing the Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

5033. Also, petition of the Interstate Magazine Hauling Corporation of New York City, opposing passage of the Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

5034. Also, petition of the International Brotherhood of Blacksmiths Drop Forgers of Chicago, urging support of the Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

5035. Also, petition of the National Retail Credit Association, relative to the value of the registered mail return receipt with address service, placed upon the statute books in 1931; to the Committee on the Post Office and Post Roads.

5036. Also, petition of the International Brotherhood of Boiler Makers, Iron Ship Builders and Helpers, urging enactment of the Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

5037. Also, petition of Frances Kneitel, on behalf of the membership of the National Independent Pharmacists, Inc., American Siphon Manufacturers, Inc., and the Allied Wholesale Druggists, Inc., urging enactment of Senate bill 915 and House bill 6324, the administrative law bill; to the Committee on the Judiciary.

5038. Also, petition of the executive committee of the National Electrical Contractors Association, urging support of the passage of Senate bill 915 and House bill 6324, the administrative law bill; to the Committee on the Judiciary.

5039. Also, petition of the National Association of Women Lawyers, endorsing the Logan bill (S. 915) and the Walter bill (H. R. 6324), providing for the more expeditious set-

tlement of disputes with the United States; to the Committee on the Judiciary.

5040. Also, petition of the American Manufacturing Co., Brooklyn, N. Y., opposing the proposed O'Mahoney amendment to Senate bill 2719, the existing antitrust laws; to the Committee on the Judiciary.

5040½. Also, petition of the New York State Industrial Union Council, representing 700,000 members affiliated through their local unions, opposing enactment of the Barden amendments to the Wage and Hour Act, the Reyonlds amendment to the Social Security Act, and the Smith anti-alien bill; to the Committee on Labor.

5041. Also, petition of the chamber of commerce of the Borough of Queens, urging favorable action on the Barry bill, providing a 2-cent postage rate for the Borough of Queens, N. Y.; to the Committee on the Post Office and Post Roads.

5042. Also, petition of the New York State League of Savings and Loans Associations, urging enactment of the Spence tax-equalization amendment to House bill 6971; to the Committee on Banking and Currency.

5043. By Mr. MILLER: Petition containing 196 signatures, all favoring House Joint Resolution 168; to the Committee on Immigration and Naturalization.

5044. By Mr. PFELFER: Petition of the New York State League of Savings and Loans Associations, New York City, urging support of the Spence tax-equalization amendment (H. R. 6971); to the Committee on Banking and Currency.

5045. Also, petition of the New York Produce Exchange, New York City, concerning the transportation bill; to the Committee on Interstate and Foreign Commerce.

5046. Also, petition of the Empire State Truck Operators' Association, Syracuse, N. Y., concerning the transportation bill; to the Committee on Interstate and Foreign Commerce.

5047. By Mr. VOORHIS of California: Petition of Rudolph F. Wedler, of Manhattan Beach, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers, requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5048. Also, petition of R. E. Frank, of San Jose, Calif., and 20 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers, requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5049. Also, petition of Joseph V. McCarthy, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5050. Also, petition of Walter C. Bailey, of Norwalk, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5051. Also, petition of Elizabeth C. Spangenberg, of Sangus, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5052. Also, petition of Margaret Repetto, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal

Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5053. Also, petition of E. O. Corson, of Berkeley, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5054. Also, petition of George R. Milligan, of Harbor City, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5055. Also, petition of Bertha Stevens, of Oakland, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5056. Also, petition of Frank Lee, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers, requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5057. Also, petition of Joseph W. Hill, of LaHabra, Calif., and 22 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers, requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5058. Also, petition of Michael L. Dobbins, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5059. Also, petition of Peter S. Pilcher, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5060. Also, petition of Harold F. Hawkins, of Los Angeles, Calif., and 1 other, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5061. Also, petition of M. P. Foster, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5062. Also, petition of Albert Wheelan, of Abascadero, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and

Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5063. Also, petition of Stephen Keating, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5064. Also, petition of Fannie Spencer, of Santa Cruz, Calif., and 21 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5065. Also, petition of Clyde E. Compton, of Lennox, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5066. Also, petition of Sam Gottlieb, of Altadena, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5067. Also, petition of Glenn H. Luke, of Long Beach, Calif., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5068. Also, petition of Elizabeth MacDonald, of Oakland, Calif., and 23 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5069. Also, petition of Emil Hoeffner, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5070. Also, petition of Charles D. Frey, of Woodland, Calif., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5071. Also, petition of Albert Hargrave, of San Jose, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5072. Also, petition of Verne E. Miller, of Turlock, Calif., and 26 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5073. Also, petition of Bery L. Epperson, of La Verne, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve

banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5074. Also, petition of James L. Engle, of Santa Barbara, Calif., and five others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5075. Also, petition of A. G. Draeger, of Pasadena, Calif., and 22 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5076. Also, petition of George S. Conroy, of Santa Barbara, Calif., and 1 other, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5077. Also, petition of William P. Walter, of Massillon, Ohio, and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5078. Also, petition of Karl Robert Olsen, of Oakland, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5079. Also, petition of John M. Krogmoe, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5080. Also, petition of Russell K. Maxson, of Montebello, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5081. Also, petition of Philip Kratz, of Hemet, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5082. Also, petition of Victor L. Cook, of Burbank, Calif., and 26 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5083. Also, petition of Louis J. Richards, of Monrovia, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5084. Also, petition of Paul Tetrick, of Campton, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5085. Also, petition of Valentine Weiss, of Romoland, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5086. Also, petition of William Stanford, of San Bernardino, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5087. Also, petition of Clarence Odell, of Pomona, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5088. Also, petition of Henrietta Otis, of Pasadena, Calif., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5089. Also, petition of Victoria Young, of Los Angeles, Calif., endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5090. Also, petition of J. F. Poos, of Inglewood, Calif., and 14 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5091. Also, petition of Milton Earl Walter, of Los Angeles, Calif., and 20 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5092. Also, petition of James F. Wood, of Bakersfield, Calif., and 14 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5093. Also, petition of Anna Clayberg, of San Diego, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5094. Also, petition of John B. Vallentyne, of Gerber, Calif., and 24 others, endorsing House bill 4931, providing

for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5095. Also, petition of Rosa A. Smith, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5096. Also, petition of Annie R. Halseth, of Los Angeles, Calif., and two others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5097. Also, petition of James A. Reeves, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5098. Also, petition of Rudolph C. Kuehn, of Monrovia, Calif., endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5099. Also, petition of Charles D. Littlefield, of El Monte, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5100. Also, petition of Andrew Wilson, of Maywood, Calif., and four others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5101. Also, petition of Peter Kapsinski, of Van Nuys, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5102. Also, petition of Harry Gambichler, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5103. Also, petition of Harry Reeves, of San Jose, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5104. Also, petition of Margaret Traretman, of Los Angeles, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking

and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5105. Also, petition of Minnie Dalton, of Oakland, Calif., and 24 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5106. Also, petition of William Lloyd, of Roscoe, Calif., and 3 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5107. Also, petition of Rolin R. Robertson, of Los Angeles, Calif., and 19 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5108. Also, petition of Edward A. Hahn, of San Francisco, Calif., and 8 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers; requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5109. Also, petition of Tom Roberts, of South Gate, Calif., and 56 others, endorsing House bill 4931, providing for Government ownership of the stock of the 12 Federal Reserve banks, and for the exercise by Congress of its constitutional monetary powers, requesting the Banking and Currency Committee to hold hearings on the said bill; to the Committee on Banking and Currency.

5110. By the SPEAKER: Petition of the Municipal Assembly of Ponce, P. R., petitioning consideration of their resolution with reference to House bill 2888, concerning the United States Housing Authority; to the Committee on Banking and Currency.

5111. Also, petition of the Young People's Religious Union, Boston, Mass., petitioning consideration of their resolution with reference to lynching legislation; to the Committee on the Judiciary.